

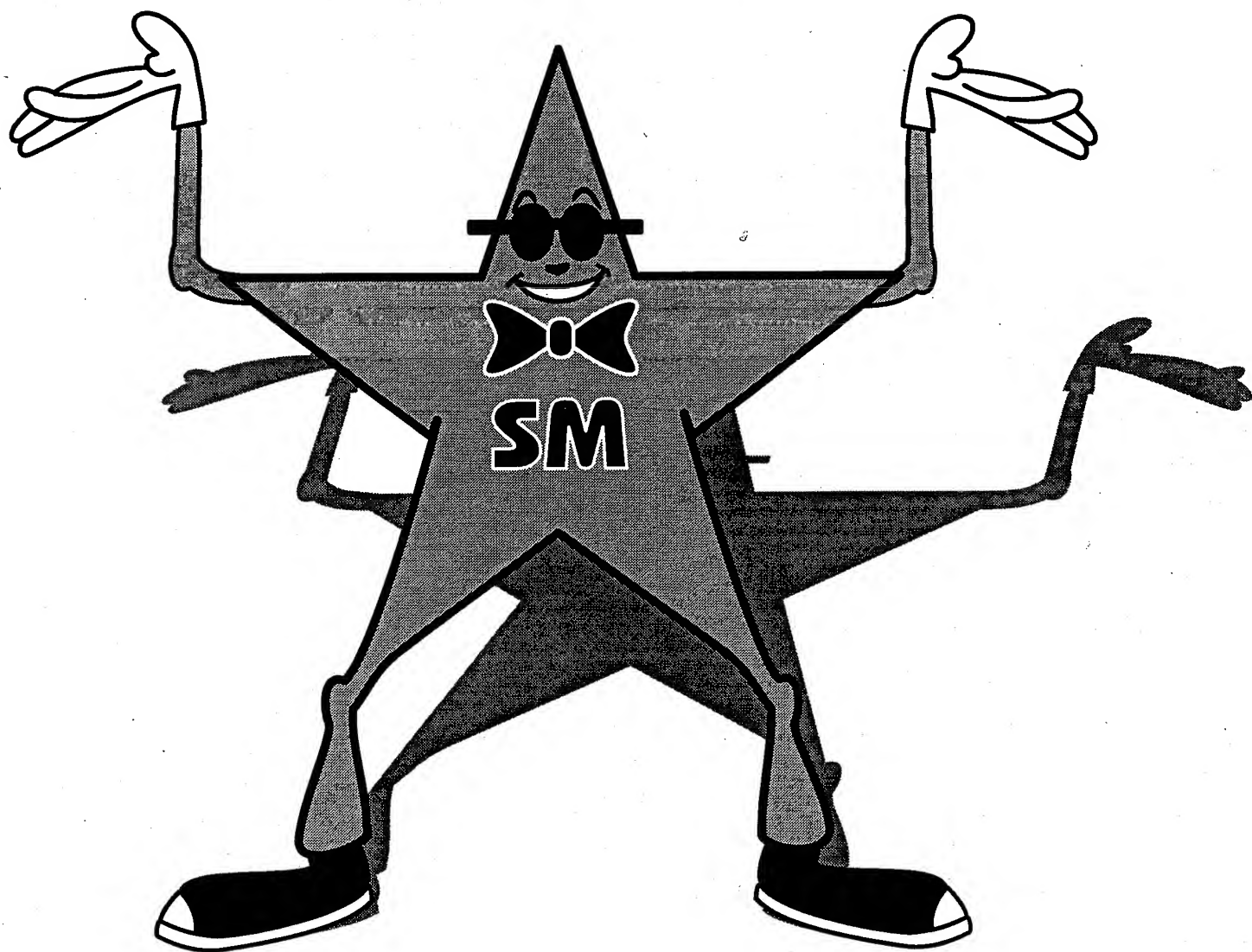
The Starmaker series



**BLOCKBUSTER
ENTERTAINMENT**

Store Manager

The **Starmaker** series



Store Manager

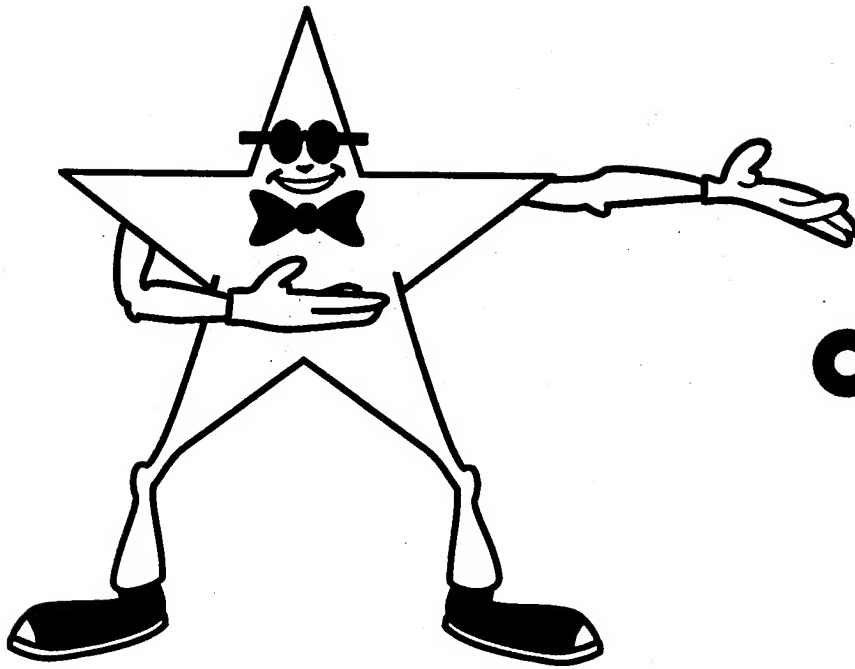
The Starmaker Series: Store Manager

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Orientation

Welcome

You're about to embark on the final leg of your journey in *The Starmaker Series*. The *Store Manager* module of *The Starmaker Series* will be the crowing achievement of your in-store training program. When you complete this module, you will have the skills necessary to successfully manage the needs of your customers, employees, and business at the store.

Program Structure

This is the fifth book in BLOCKBUSTER's employee development program. To begin this module, you must be certified in *The Starmaker Series: Customer Service Representative, Customer Relations Coordination, Assistant Manager, and Senior Assistant Manager* modules.

Everything you need to know to perform as a Store Manager is outlined on the wallchart in your store. All Achievements, which are the areas of development you must be certified in to become a qualified Store Manager, are listed on the chart. Your Store Manager and your District Training Manager will use the wallchart to track your progress.



If you are currently a Store Manager who is going through the training program to become certified in all modules, your DM and District Training Manager will be responsible for certifying you and tracking your progress.

Your Role

It is your responsibility to follow the training program. Although you will work closely with your Store Manager throughout this program, utilize all the resources around you, including the SOP.

How to Use This Handbook

This module is self-paced and structured by Achievement. After you complete an Achievement section and are confident you can perform all the requirements necessary to be proficient in that Achievement area, tell your Store Manager (or District Manager) that you are ready to be certified. The certification section is at the end of each Achievement and there is a checklist at the back of the handbook so you can keep track of your training. After you are certified, your Store Manager (or DM) will sign the checklist and send it to your Regional Trainer. Upon receipt, your Regional Trainer will send you a *Certificate of Accomplishment* for this module.

The certification is either knowledge-based or skill-based depending on the Achievement. Knowledge-based certifications require you to explain concepts or functions to illustrate your understanding. Skill-based certifications require you to illustrate proficiency of skills. Your Store Manager or District Training Manager will certify that you have the necessary skill or knowledge for each Achievement by signing your handbook.



If the certification is knowledge-based, you must complete it (generally questions to demonstrate knowledge) before you proceed. If the certification is skill-based, you can simultaneously work toward illustrating skill proficiency while you continue with the next Achievement.

Movie Knowledge

Although this employee development program should be a rewarding, educational experience for you, it should also be fun. Fun and entertainment go together, and that's what BLOCKBUSTER is all about. Test your movie knowledge by answering the movie trivia questions throughout this handbook. Answers are located at the back of this handbook.

SM Achievements

This module is divided into the following Achievement sections:

1. Hiring
2. HR Policies and Procedures
3. More Performance Management
4. Financial Results
5. Even More Product Management
6. Labor Planning and Scheduling
7. Handling Emergencies
8. Managing Training

The Focus of a SM

When you perform as a SM, you are responsible for managing all the assets of your store. This includes your customers, employees, daily operations, and your financial results. Your *primary objective is to balance all of these areas to maximize profitability.*

Your Customers

As a SM, you are responsible for ensuring that your customers are excited about being in your store and that by satisfying their demand, they will want to return.

Your Employees

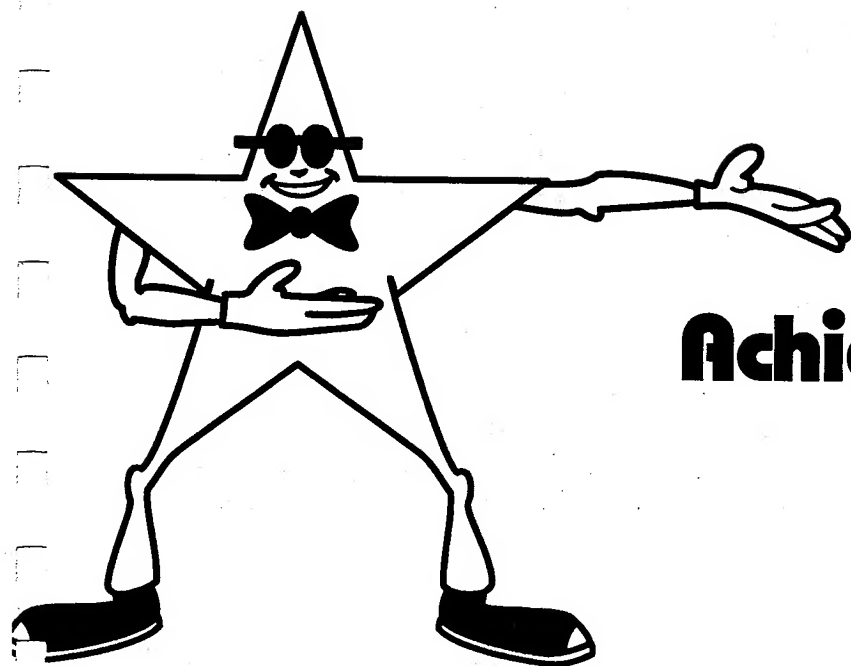
It is up to you as a SM to make sure your employees feel valued and feel that they contribute to the success of your store and the company.

Daily Operations

As a SM, you are also responsible for making sure that the way in which you run your store meets the expectations of company policies and procedures.

Financial Results

We are in the business to make money. How well you manage your customers, employees, and daily operations will be reflected in your financial results. But, you must also understand what the numbers tell you and how your decisions and actions can affect those numbers.



Achievement 1: Hiring

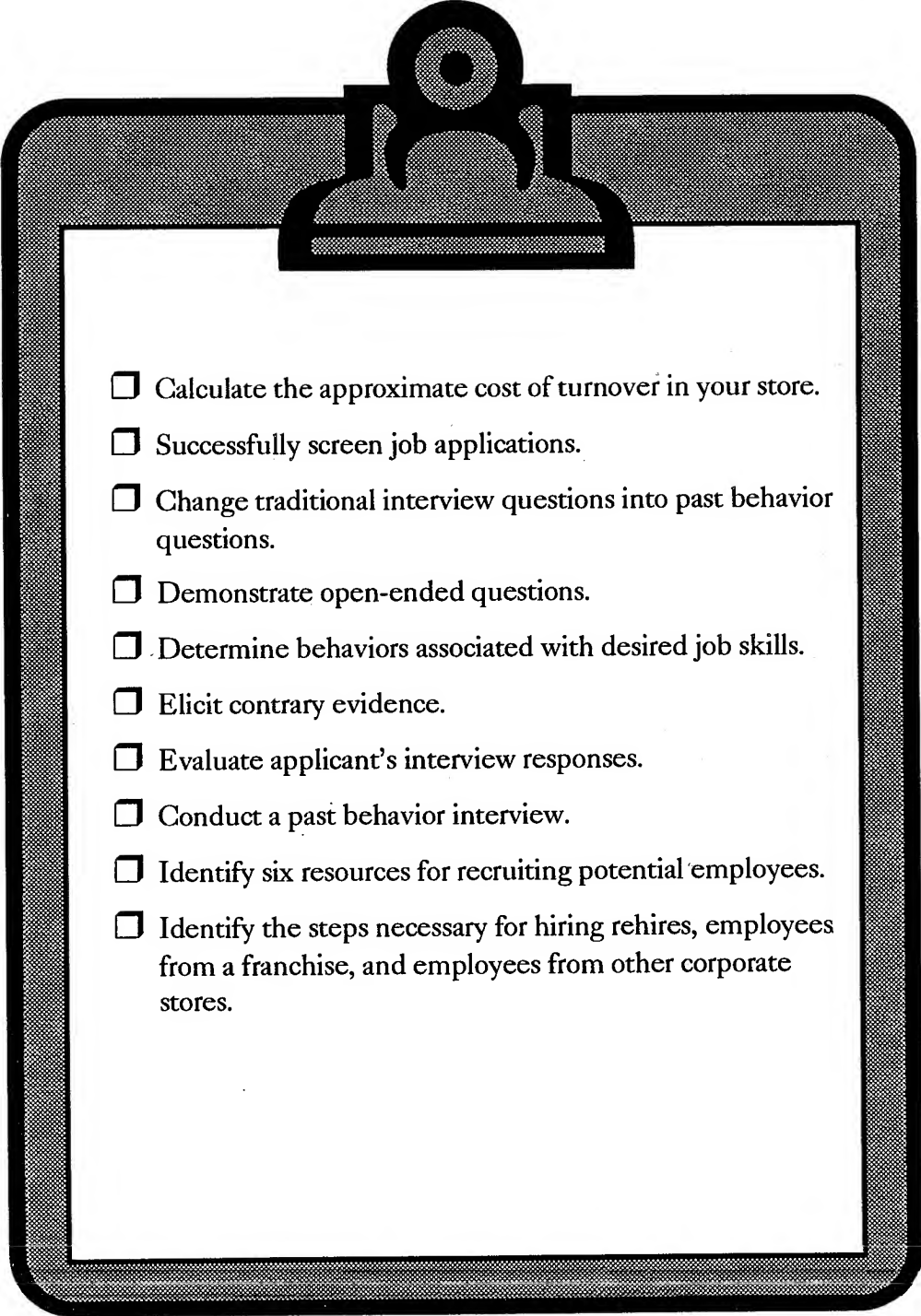
Overview

During World War II, a pinup photographer was searching for a new model when he discovered Norma Jean Baker. She was only 20 years old at the time and working in an aircraft factory while her husband was fighting in World War II. The photographer captured her image on film and launched a world-famous career -- that of Marilyn Monroe. Many other stars have been "discovered" in an odd way as well: in drugstores, as an extra in a crowd scene, or even on a street corner.

As a BLOCKBUSTER Store Manager, you're the store's talent scout, always looking for your next great discovery. Always be on the lookout for potential employees who will work well in your store. Serviced-focused employees are everywhere; you just need to look for them.

Learning Objectives

This Achievement contains all of the information you will need to know about hiring quality employees. When you have mastered the skills necessary to be proficient in this Achievement area, you will be able to:

- 
- ☐ Calculate the approximate cost of turnover in your store.
 - ☐ Successfully screen job applications.
 - ☐ Change traditional interview questions into past behavior questions.
 - ☐ Demonstrate open-ended questions.
 - ☐ Determine behaviors associated with desired job skills.
 - ☐ Elicit contrary evidence.
 - ☐ Evaluate applicant's interview responses.
 - ☐ Conduct a past behavior interview.
 - ☐ Identify six resources for recruiting potential employees.
 - ☐ Identify the steps necessary for hiring rehires, employees from a franchise, and employees from other corporate stores.

Hiring Service-Focused Employees

NOTES

One of the requirements for this Achievement area is that you attend the 5-hour, out-of-store training class given by your Regional trainer.

The *Hiring Service-Focused Employees* class addresses many of the learning objectives in this Achievement.



It is highly recommended that you attend the class before you continue with this Achievement. The class will give you a solid foundation for the information included in the rest of this Achievement. Talk to your Store Manager about when to schedule yourself for this class.

During the class you'll learn how to screen the application, conduct a past behavior interview, evaluate the candidate, check references, extend a job offer, and follow up with non-hires. Now let's talk about how you find the candidates you'd like to interview.



You must attend the *Hiring Service-Focused Employees* class before you begin this Achievement.

Recruiting

Before we can talk about recruiting, we should discuss the positions for which you will be recruiting. Let's take a look at the six BLOCKBUSTER store-level job positions. The table below lists the title and status for each job.

TITLE	STATUS
Store Manager	Full Time - Exempt
Senior Assistant Manager	Full Time - Exempt
Assistant Manager	Full Time - Non-Exempt
Assistant Manager	Part Time - Non-Exempt
Customer Service Representative (CSR)	Full Time - Non-Exempt
Customer Service Representative (CSR)	Part Time - Non-Exempt



An "exempt" position is a salaried position.

Figure 1 illustrates the six job positions. As shown in the figure, Assistant Managers and Senior Assistant Managers report to the Store Manager. CSRs report to the Store Manager, as well as Assistant Managers.

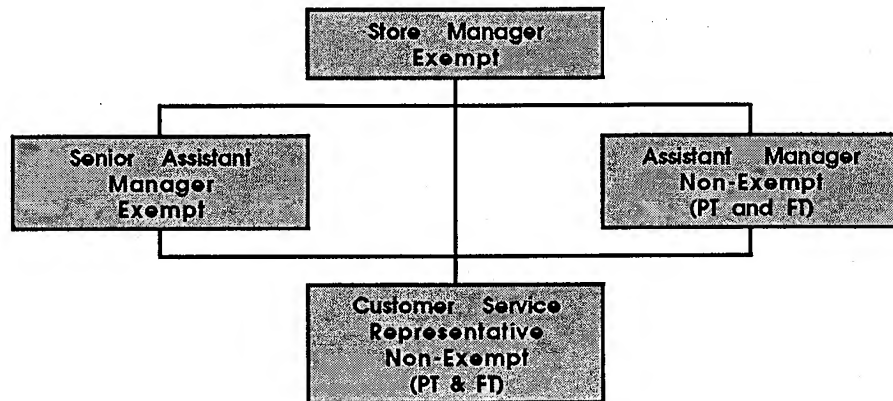


Figure 1: BLOCKBUSTER Store Positions

You will always recruit for CSRs, and sometimes you will recruit for AMs as well. When you recruit, it's important to remember that BLOCKBUSTER is an equal opportunity employer. Next, let's talk about what that means.

An Equal Opportunity Employer

In all your recruiting efforts, keep in mind that it is the purpose of BLOCKBUSTER Entertainment Corporation to achieve equal employment opportunity in all personnel actions and procedures without regard to race, sex, religion, color, national origin, age, veteran status, or disability. We believe that all employees should be treated the same during their employment in all matters, including employment, promotions, transfers, layoffs, disciplinary actions, terminations, salaries, selection for training, or recruitment. We expect your full and complete cooperation on this commitment. BLOCKBUSTER Entertainment Corporation will uniformly enforce all Company regulations and take disciplinary action without regard to race, sex, religion, color, national origin, age, veteran status, or disability.

Employment of Minors

As a rule, BLOCKBUSTER doesn't recruit or hire minors under 17 years of age because of the strict regulations on their hours of work and the BLOCKBUSTER Youth Restricted Viewing Program. If you presently have a minor working in your store, be sure to abide by the wage and hour regulations. Copies of these regulations should be obtained from your Zone Human Resources Manager and regularly reviewed.



BLOCKBUSTER is subject to monetary penalties for each violation of the wage and hour regulations; therefore, make sure you abide by the wage and hour regulations of your state.

Now that we've discussed our commitment to offering equal employment opportunities and our philosophy on hiring minors, let's talk about how you go about recruiting.

Recruiting Sources

Recruiting should be an ongoing process in your store. Some good sources you can use for finding candidates are:

- Employee Referrals
 - Friends
 - Former co-workers from other companies
 - Classmates
 - Neighbors
- Colleges
 - Job postings
 - College newspapers
 - Career placement and job service offices
- High Schools (candidates must be 17 or older)
 - Guidance office
 - PTA
- Community Groups
 - Religious organizations
 - Municipal employees
 - Urban league
 - YMCA/YWCA
 - Youth centers
- Networking
 - Bank tellers
 - Food service employees
 - Other retail employees
 - Job Service Offices
- Regular Customers
- Walk-Ins
- Career Brochures



Another good way of recruiting potential employees is to display employment posters or banners in your store. You can order posters and banners through the BLOCKBUSTER Distribution Center; refer to the *Distribution Center Catalog* for a list of hiring materials and part numbers. These are two posters which are currently available.



Screening

Now that you've placed an ad for a position in your store, you'll probably be receiving a large response. You'll need to sit down and review all applications received from potential candidates to separate out those you wish to interview; use the *Screening Checklist* job aid you received in your *Hiring Service-Focused Employees* class.



If you prefer to use a paper checklist instead of the laminated job aid, *Appendix B* of the *Support Operations* volume of the *SOP* contains an original checklist from which you can make copies.

Due to legal restrictions, you cannot write notes on the application. If you have questions or comments about the candidate you might want to refer to later, be sure to write them on a separate piece of paper and clip it to the application. Keep all applications on file for at least one year; however, regard them as "Active" *only* for the first 90 days.

Handling Applicants with Disabilities

The *Americans with Disabilities Act* (ADA) ensures that people with disabilities will have equal access to the job application process. To comply with the law, you will need to assist in the application process if necessary.

BLOCKBUSTER is committed to affirmatively aiding people with disabilities in their job search process. In order to ensure that all disabled applicants are given equal opportunities to secure employment at BLOCKBUSTER, you should send applications from anybody who appears to have a disability to their regional recruiter. Your recruiter is responsible for ensuring that BLOCKBUSTER's legal obligations are met as outlined in the *Americans with Disabilities Act*.

Let's talk about the ADA next.

The ADA

NOTES

The ADA is a civil-rights law that protects individuals with disabilities and is the most comprehensive equal opportunity statute since the Civil Rights Act of 1964. President George Bush signed the ADA into law in 1990; the sections which affect BLOCKBUSTER went into effect in July, 1992. Two titles of the ADA affect BLOCKBUSTER:

- **Title, Employment:** Ensures that people with disabilities are given the same employment consideration as people without disabilities. The Equal Employment Opportunity Commission (EEOC) enforces this law; failure to comply may result in lawsuits, fines, and other penalties.
- **Title III, Public Accommodations:** Mandates that businesses and public facilities be accessible to people with disabilities. The Justice Department enforces this law with fines ranging from \$50,000 to \$100,000.



Contact your Zone Construction Manager if a customer inquires or complains about accessibility.

Labor Law Poster

A new Labor Law poster which includes information about ADA is available from the Dallas Distribution Center (part number 356912). Be sure to hang this poster in a conspicuous place in the office.

ADA Employment Requirements

The ADA says that an individual with a disability who is qualified cannot be denied employment opportunities because of the disability. It protects people with disabilities in regard to all employment issues, including hiring, firing, promoting, training, and ensuring equal access.

Applicants are *qualified* if they can perform the *essential* functions of the job with or without *reasonable accommodations*. Applicants with these characteristics are considered *qualified*.



Some of the qualifications for a CSR candidate include: must be at least 17 years old, handle cash proficiently, and preferably have some customer service experience.

Essential functions are *fundamental* job duties that the individual must be able to perform. If these functions were removed from the job, they would *significantly change* the *scope* of the job.



A candidate for the CSR position must be able to speak to customers and help them with their selections. If this job duty is removed from the position, the job has significantly changed. The job description, however, also says CSRs need to pull tapes from the back room inventory. This job duty might not be considered essential to the job function.

A reasonable accommodation is any change in the work environment or the way a task is performed which allows an individual with a disability an equal employment opportunity. An accommodation is only reasonable if it does not create an undue hardship (expense or significant difficulty) for the business.

What is a Disability?

NOTES

A disability doesn't have to be an obvious physical impairment. It can be many things, including:

- Vision impairments
- Hearing impairments
- Epilepsy
- Mental retardation
- Wheel-chair bound
- Multiple Sclerosis
- Cerebral palsy
- Muscular dystrophy
- Dwarfism
- Spina Bifida
- Back injuries
- Limited mobility of limbs
- Amputated limbs
- Artificial limbs
- Speech impairments
- Learning disabilities (including dyslexia)

- Diabetes
- Heart disease
- Nervous condition
- Cancer
- Mastectomy
- Lung disease
- Asthma
- Cystic Fibrosis
- Removal of a kidney
- Narcolepsy
- Hepatitis B carrier
- HIV-infected
- Alcoholism

Your Role

You must ensure that assistance is provided to anyone who needs help completing an application.



If a person is unable to write, fill out the application on their behalf by writing down the answers the applicant provides verbally.

If the person appears to be disabled, contact your Regional Recruiter and forward the application to them. If the applicant is hired, you need to ensure that they receive continuing assistance.



People with disabilities do not want to be called handicapped. The term handicapped can be offensive to them.

Human Resource's Role

NOTES

Because reasonable accommodations must be determined for each applicant on a case-by-case basis, the Regional Recruiter will handle the process after they receive the application.

The Regional Recruiter handles the interview process for people with disabilities because:

- The process is extensive, time-consuming, and legally complex.
- Hiring decisions for qualified people with disabilities are determined by a committee that studies each case.

Questions and Answers

- Q:** What if an interview is set up with an individual possessing a disability without your knowledge of the disability?
- A:** You should interview the applicant according to BLOCKBUSTER's guidelines, avoid all references to the person's disability, and schedule a second interview with the Regional Recruiter.
- Q:** What if a representative from a government agency or an advocacy group inquires about BLOCKBUSTER's policy on people with disabilities.
- A:** Indicate that it is BLOCKBUSTER's policy to refer all such inquires to the Human Resources Manager.
- Q:** What if a customer registers a complaint or comments that your store is inaccessible to a person with a disability.
- A:** Write down the person's complaint or comment and forward the note to your Zone Construction Manager.

Activity

NOTES

Part I

1. With your SM, recruit a new CSR.
2. Screen the applications for the CSR position. Explain questions and/or discrepancies about the applications to your Store Manager.

Part II

1. List eight recruiting sources:
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.
 - g.
 - h.
2. The _____
ensures that people with disabilities have equal access to the job application process.
3. Why doesn't BLOCKBUSTER hire minors?

Activity Answers

1. Name eight good recruiting sources:
 - a. Employee Referrals
 - b. Colleges
 - c. High Schools (candidates must be 17 or older)
 - d. Community Groups
 - e. Networking
 - f. Regular Customers
 - g. Walk-Ins
 - h. Career Brochures
2. The *Americans With Disabilities Act* ensures that persons with disabilities will have equal access to the job application process.
3. Why doesn't BLOCKBUSTER hire minors?
Because of the restrictions on their working hours and because of the Youth Restricted Viewing Program, which prevents minors from watching R and YRV-rated movies.

Interviewing

Now that you've narrowed down the candidate pool, it's time to call the ones you've selected in for interviews. An interview should give you enough information about an applicant to make an informed decision regarding the continuance of the hiring process. It should tell you about an applicant's:

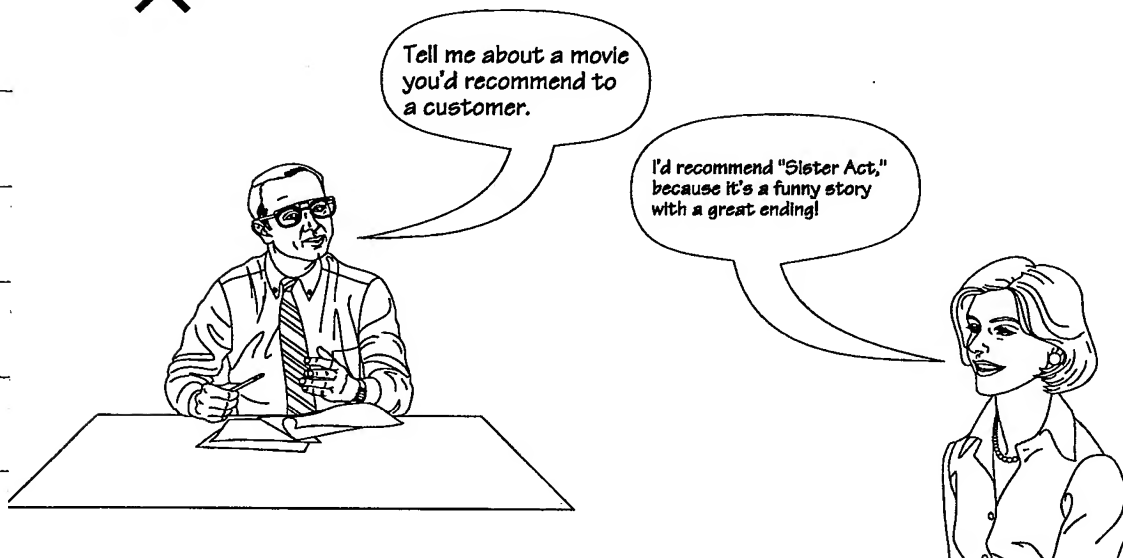
- Personal presentation
- Communication skills
- Experience
- Flexibility and availability
- Career goals and interests

Interview Questions

As you learned in the Hiring Service-Focused Employees class, the most effective way to appraise future performance is to analyze past behavior. Use specific questions that are open-ended (questions the candidate can't easily answer with yes or no) and behavioral-oriented. The *Past Behavior Questions* listed on the laminated job aid you received during your class will help you.



When interviewing candidates, be careful NOT to violate Equal Employment Opportunity guidelines.



Checking References



Before an applicant can be hired, you must check at least three previous work or school references. Reference checks allow you to eliminate those candidates who have given dishonest or incomplete information, or who have displayed severe performance problems in the past. If you receive a poor reference on an applicant, check additional references before making a final decision about the candidate. Reference checks are conducted *after* the candidate has completed the interview process, but *before* the drug screen.

And remember -- all information you receive through the reference check process is confidential. Do not share the information with the prospective employee.



Use the Interview *Evaluation/Reference Check* job aid you received during the *Hiring Service-Focused Employees* class. If you prefer to use a paper checklist instead of the laminated job aid, *Appendix B* of the *Support Operations* volume of the *SOP* contains an original *Reference Check Form*; make copies and use them when conducting all reference checks.

Substance Abuse Screening

NOTES

All candidates must take a pre-employment substance abuse test as a final requirement for employment with BLOCKBUSTER. The results of the substance abuse test must be negative. Any candidate who refuses to take the test or who tests positive will *not* be considered for employment. Only after negative results are received can you make a formal job offer. A hair analysis is done to detect the presence of any of the following drugs used within the last 90 days:

- Cocaine (crack)
- Opiates (morphine)
- PCP (angel dust)
- Methamphetamines
- Heavy and extensive marijuana use

Substance Abuse Policy

It is the intent of BLOCKBUSTER to provide a working environment that is free of the problems associated with the abuse of drugs and alcohol. To this end, BLOCKBUSTER will cooperate to the full extent of the law with local, state, or Federal authorities in matters pertaining to the use, possession, manufacture, distribution, dispensation, sale, or purchase of controlled substances by anyone on Company premises or on Company business. The Company reserves the right to conduct unannounced searches for prohibited substances anywhere on Company property, including any personal property brought onto Company premises.

Screening Procedure

Approximately one out of every five stores is a substance abuse testing site. If your store is a testing site, you should read the *Substance Abuse Training Manual* and watch the video. As a Store Manager, you are responsible for communicating and coordinating the screening process as follows:

- Explain the policy and procedure to the candidate.
- Schedule an appointment with a collection site store.
- Give the candidate a copy of their application, which contains the store number.

Tell the candidate to bring a picture ID and all medication (or a list of all medication) taken within the last 90 days. The substance abuse screening process involves having the candidate sign the appropriate consent and release forms and collecting a sample of their hair.



If the candidate is under 18, they must have a consent form signed by their parents.

Test Results

The test results will be sent to your Zone Human Resources Department in approximately two to four days. Human Resources will inform you immediately of the results.

If the test is negative, the results are simply faxed to your Zone Human Resources Department from the test lab. Human Resources notifies your store that hiring is acceptable, and an offer can now be extended to the candidate.

If the test is positive, the results are faxed and telephoned to your Zone Human Resources Department, who then informs you that the test is positive. You must inform the candidate that another candidate has been selected.

Sometimes not enough hair is collected or something else goes wrong with the test causing invalid results. In these instances, the test must be repeated before an offer can be made to the candidate.

Activity

NOTES

Part I

1. Check references for several CSR job candidates. Have your manager observe you and critique your performance afterward.
2. If your store is a test site, observe your Store Manager perform a Substance Abuse Screening. If your store is not a test site, coordinate a time to go to the test store to read the training manual and watch the video, *or* observe a substance abuse screening.

Part II

1. BLOCKBUSTER's Substance Abuse Screening Test is a _____ analysis.
2. The Substance Abuse Screening includes:
 - _____
 - _____
 - _____
3. An offer of employment can be made only after the Substance Abuse Screening results have been received.
True or False
4. A candidate can be hired on a probationary basis if the results of the test are positive.
True or False

Activity Answers

1. BLOCKBUSTER's Substance Abuse Screening Test is a hair analysis.
2. The Substance Abuse Screening includes:
 - Explaining the policy and screening procedures to the candidate.
 - Scheduling an appointment with a collection site store.
 - Giving the candidate a copy of their application.
3. An offer of employment can be made only after the Substance Abuse Screening results have been received.
True
4. A candidate can still be hired on a probationary basis if the results of the test are positive.
False, only candidates with negative results can be hired.

Achievement 1 Certification

NOTES

This is a skill-based Achievement. To be certified in this Achievement area, complete Parts I and II below.

Part I

1. Recruit for a CSR opening in your store.
2. Screen applications for the position.

Part II

1. Become certified in *Hiring Service-Focused Employees* (this includes conducting a past behavior interview while your DM/Regional Trainer/Recruiter observes).

Date of Class _____

Regional Trainer _____

Date of certification field test _____

2. Evaluate the interview and check references on the applicant you interviewed to satisfy the above requirement.
3. Follow up with the applicant.

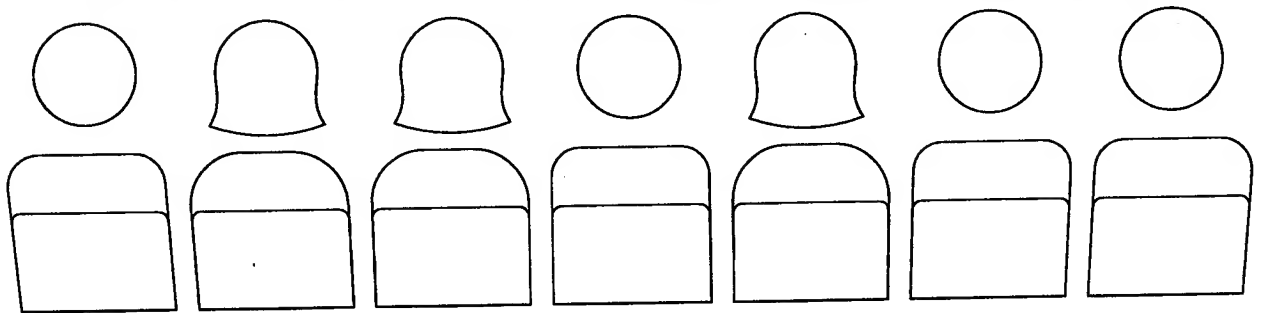
Congratulations!

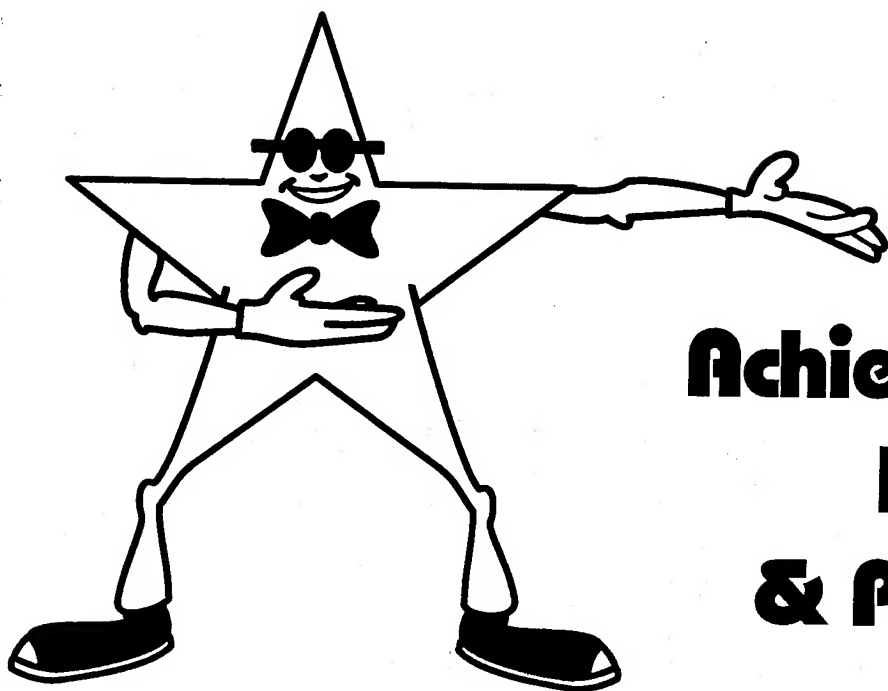
Store Manager Signature: _____

Date: _____

Movie Trivia

1. How many parts does Alec Guinness play in *Kind Hearts and Coronets*?





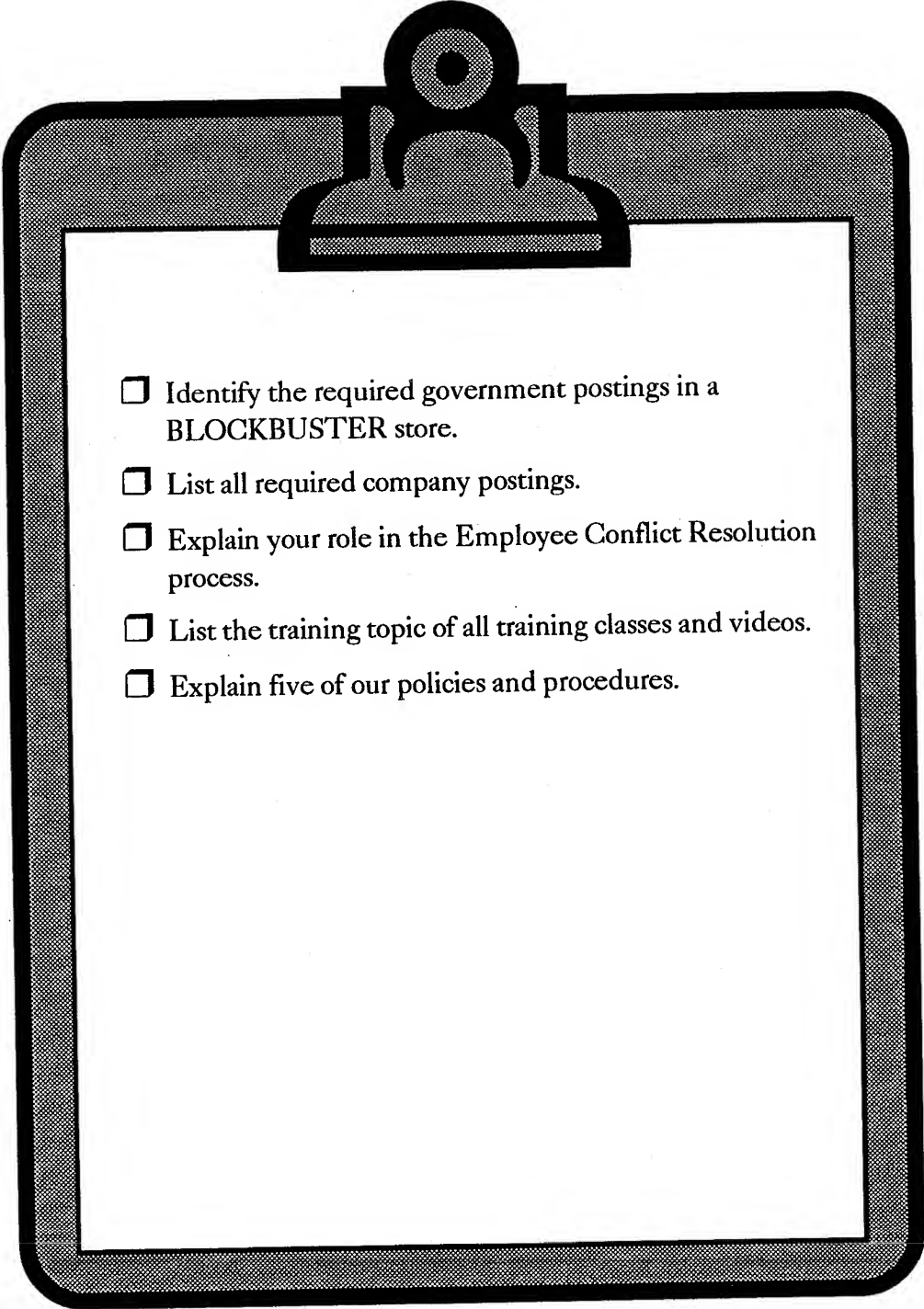
Achievement 2: HR Policies & Procedures

Overview

Every studio has its policies and procedures that its stars must abide by. There are certain contractual standards of employment, of dress, and of living that make each studio unique. The same is true at BLOCKBUSTER. In your position as a SM, you are responsible for ensuring that your employees adhere to these policies and procedures.

Learning Objectives

This Achievement contains all of the information you will need about BLOCKBUSTER's policies and procedures. When you have mastered the skills necessary to be proficient in this Achievement area, you will be able to:

- 
- ☐ Identify the required government postings in a BLOCKBUSTER store.
 - ☐ List all required company postings.
 - ☐ Explain your role in the Employee Conflict Resolution process.
 - ☐ List the training topic of all training classes and videos.
 - ☐ Explain five of our policies and procedures.

In Achievement 1, you learned about hiring and how important it is to make good hiring decisions because your employees drive the revenue in your store. Now that your CSR is hired, how do you facilitate the paperwork so that your CSR can start to work?

Personnel Action Form (PAF)

The *Personnel Action Form* is shown in Figure 4. You must use this form for all hiring requests. Refer to the back of the *PAF* for information on how to fill out the form and obtain approvals. Remember to sign and date the *PAF*.

Blockbuster Video

Personnel Action Form
(See back for instructions and codes)

A Identification

Request Office: **CENTRAL** Location/Store: **12345**

First Name: **JOHN** Last Name: **DOE** Month/Day/Year: **12/31/99**

Check one of the following: ☐ New Hire ☐ Rehire ☐ Transfer ☐ Promotion ☐ Demotion ☐ Other

B Requisition

Job Code: **12345** Job Title: **CSR - PART TIME** (Requisition to show?) ☐ Yes ☐ No

Check one box: ☐ Full Time ☐ Part Time ☐ Seasonal ☐ Temporary

Supervisor Signature: _____ Date: _____

C Personal/Employment

First Date: **12-31-99** Last Date: **12-31-99** Job Code: **12345** Source: ☐ Advertising ☐ Transfer ☐ Employee Referral

Other Compensation: ☐ Hourly ☐ Salaried ☐ Commission ☐ Other

Employee's Social Address: **123 64M ST ANYTOWN, FL 12345**

Home Phone Number: **(123) 456-7890** Date: **06-23-01**

D Transfer

From: _____ To: _____ Location/Store: _____

E Salary or Job Change

Current: _____ New: _____

F Separation

Termination Reason Code: _____ Date: _____

G Approvals

Requester Signature: **STORE MANAGER** Date: **1-2-00**

Supervisor Signature: _____ Date: _____

H Comments

Figure 4: Personnel Action Form (PAF)

You've learned how to recruit, interview, and hire someone. Now, let's discuss special hiring circumstances like rehiring an employee, transferring an employee from one store to another, hiring an employee from a franchise store, and converting an employee from part-time status to full-time status.

Rehires

A rehire is someone who has worked for a Company-owned store and has terminated employment voluntarily or involuntarily (through a reduction in work force) and would like to be considered for re-employment. When considering a rehire, follow these steps:

1. Check the candidate's references with your Zone Human Resources and Corporate Payroll Departments, as well as with the store where the person was employed.
2. Have a new substance abuse screening test performed if the person has been separated from BLOCKBUSTER for more than three months.
3. If the candidate is hired, be sure to complete ALL new hire paperwork.

Rehiring a CSR requires approvals from the Store Manager and District Manager. Rehiring someone from a store management position requires approvals from the Store Manager, District Manager and Regional Director of Operations.



Refer to the "New Employee Paperwork" section in *Support Operations Chapter 2 - Human Resources* for more information.

Transferring from a Corporate Store to a Corporate Store

Transfers are based on position availability and employee qualifications. If an employee wishes to transfer between corporate stores, the following steps must be taken:

1. The employee who wishes to transfer contacts their Store Manager, who contacts the District Manager.
2. The District Manager contacts the Zone Human Resources Department.
3. If an opening is available, Human Resources arranges an interview.
4. If the transfer is approved, complete areas A, D, E (if there is a salary change), G, and H, of the *PAF*.

Hiring from a Franchise Store to a Corporate Store

To hire an employee from a franchise-owned store to a corporate-owned store, the following steps must be taken:

1. The employee requesting a transfer must speak with the franchisee before contacting any Company personnel. They must also contact their District Manager.
2. The Franchise District Manager contacts the Zone Human Resources Department.
3. Human Resources checks references and openings in the zone.
4. If an opening is available, Human Resources arranges an interview.
5. If you are interested in the employee, they may need to take a substance abuse test before an offer can be made.
6. If an offer is made, complete ALL new hire paperwork.



Refer to the "New Employee Paperwork" section in *Support Operations Chapter 2 - Human Resources* for more information.

All communications concerning the hiring of a franchise employee **MUST** come through the Franchise District Manager.

Converting from Part-Time to Full-Time

Part-time Assistant Managers and CSRs may convert from part-time to full-time status. Store Manager and District Manager approval is required. The following steps must take place to convert:

1. Complete areas A, E, and G of the *PAF*.
2. Complete the appropriate benefits paperwork and send it to the Corporate Payroll Department.

Activity

1. What is a PAF used for? _____

2. What are the steps to rehire a former employee?

- a.
- b.
- c.

3. List the steps to convert a part-time employee to full-time status:

- a.
- b.

4. You don't need to fill out new hire paperwork for a rehire.

True or False

5. You must perform a substance abuse screening on all new hires.

True or False

6. Who needs to approve management rehires? _____

7. Who arranges the interview for an employee who wants to transfer?

8. To check references for a rehire, what should you do? _____

See how you did! Answers are on the next page.

Activity Answers

1. What is a *PAF* used for?

A *PAF* is used for all additions, changes, and terminations.

2. What are the steps to rehire a former employee?

- a. Check the candidate's references with your Zone Human Resources and Corporate Payroll Departments, as well as with the store where the person was employed.
- b. Have a new substance abuse screening test performed if the person has been separated from BLOCKBUSTER for more than three months.
- c. If the candidate is hired, be sure to complete ALL new hire paperwork.

3. List the steps to convert a part-time employee to full-time status:

- a. Complete areas A, E, and G of the *PAF*.
- b. Complete the appropriate benefits paperwork and send it to the Corporate Payroll Department.

4. You don't need to fill out new hire paperwork for a rehire.

False. You must fill out ALL new hire paperwork, regardless of how long their separation from BLOCKBUSTER was.

5. You must perform a substance abuse screening on all new hires.

True. However, you don't need to perform a substance abuse screening on a potential rehire who has been separated from BLOCKBUSTER for less than three months.

6. Who needs to approve management rehires? Store Manager, District manager, and Regional Director of Operations.

7. Who arranges the interview for an employee who wants to transfer? Zone Human Resources Department

8. To check references for a rehire, what should you do? Check candidate's references with your Zone Human Resources and Corporate Payroll Departments, as well as with the store where the person was employed.

Policies and Procedures

NOTES

Company policies and procedures are created for uniformity and consistency throughout all our Company-owned stores. They are created for the safety and well-being of our employees and customers, as well as to guide and instruct us in our decision making. This section discusses the following:

- Required Postings
- Employment of Relatives
- Request for Employee Information
- Handling Unemployment Insurance Claims
- Reporting Occupational Injury
- Dress and Grooming Standards
- Conflict Resolution Policy
- Store Training

Required Postings

You must post the following information on your store bulletin boards:

- Specific government laws, regulations, and guidelines
- Certain Company policies
- Government Postings

Post the following government laws, regulations, and guidelines.

- *Employee Polygraph Protection Act of 1988*
- *Fair Labor Standards Act*
- *Age Discrimination in Employment Act of 1967*
- *Title VII of the Civil Rights Act of 1964*
- *Occupational Safety and Health Act of 1970*
- *Americans with Disabilities Act (ADA)*

Contact your Zone Human Resources Department for specific state regulations regarding the employment of minors. A labor law poster, part number 356912, is available through the BLOCKBUSTER Distribution Center. The poster contains many of the required postings. Refer to the *BLOCKBUSTER Distribution Non-Film Supplies & Equipment Catalog* for more information.

Company Policy Postings

Post the following Company policies:

- *Loss Prevention Hotline Spoiler Card*
- *Media Contacts Memorandum*
- *Sexual Harassment Policy*
- *Key Contact List*



Refer to the *Daily* and *Support Operation Manuals* for the *Key Contact List*.

Employment of Relatives

NOTES

It's not a good idea to hire individuals who are related (by blood or marriage) into a position where a direct or indirect supervisory relationship will exist because a conflict of interest will exist. Additionally, don't hire or transfer those who are related into the same department or store. The term "related" is defined as father, mother, husband, wife, sister, brother, son, daughter, uncle, aunt, niece, nephew, first cousin, father-in-law, mother-in-law, sister-in-law, brother-in-law, son-in-law, and daughter-in-law.

The continued employment of personnel who become related by marriage subsequent to their employment will be permitted under the following conditions:

1. If one of the individuals becomes a supervisor after the marriage, or is a supervisor at the time of the marriage, the transfer of the non-supervisory individual to a different department or store is required.
2. If both individuals are supervisors, and it is determined that a conflict exists due to their relationship and positions, one of the individuals will be transferred. The selection of the transferred individual and of the position to be offered will be at the discretion of the supervisor(s) and the Human Resources Manager.
3. Efforts will be made to find the individual transferred a position of similar status/pay to the one they are transferred from.
4. All transfers must be within ninety (90) days of the date of marriage or promotion. If such a transfer cannot be effected within that time frame, one of the employees must be terminated.



Refer to the *Employee Handbook* for more information.

Requests for Employee Information

Do not give out (either verbally or written) employee information. Refer all inquiries to the Corporate Personnel Department.

Handling Unemployment Insurance Claims

Forward all unemployment insurance claims to the following address immediately upon receipt:

R.E. Harrington Inc.
P.O. Box 1160
Columbus, OH 43216-1160

Reporting Occupational Injury

Employees must report any job-related injury to you immediately. For more detailed information, refer to the *Risk Management Manual*. If you do not have one, call the Corporate Risk Management Department at 1-800-733-1938.



Refer to *Support Operations Chapter 9: Safety and Security* for more information.

Dress and Grooming Standards

NOTES

Customers expect BLOCKBUSTER employees to be easily identifiable and well groomed. Always ensure that you and your employees present a professional appearance; it's one of the factors that helps distinguish us from our competition.

Presenting a professional appearance means you should be clean and neat: hair in place, teeth brushed, nails clean, and wearing shined shoes and unwrinkled clothes in good condition. Always look and dress in a manner that is consistent with the friendly, family image of BLOCKBUSTER (don't wear extreme clothing or hair styles). Anyone who violates these standards is subject to disciplinary actions, including termination, and you are responsible for monitoring and enforcing these standards.

Make sure your assistant managers enforce these standards as well. What does that mean? It means that you, or your AM, send an employee home to improve their appearance if it is not up to standard. Send them home without pay, and specifically explain to them what is unacceptable about their appearance.

CSR Dress Code

Ensure that your CSRs adhere to the following dress code (there may be regional differences):

- Slacks:** Wear khaki slacks. Women may substitute khaki skirts. Navy slacks/skirts are acceptable during the winter months. However, this is a regional decision. All employees are to wear either khaki or navy; don't mix.
- Shirt:** Wear blue Oxford-cloth shirts with long sleeves and button-down collars. When khaki slacks/skirts are worn, navy blue polo shirts are also acceptable. However, this is a regional decision. All employees are to wear either polo or oxford; don't mix.
- Tag:** Name tag to be worn at all times.
- Shoes:** Leather dress or casual (polishable) shoes; no athletic shoes.
- Belt:** Required when appropriate.

Store Manager and Assistant Manager Dress Code

Ensure that you and your management staff adhere to the following dress code (there may be regional differences):

- Slacks:** Wear khaki slacks. Women may substitute khaki skirts. Navy slacks/skirts are acceptable during the winter months. However, this is a regional decision. All employees are to wear either khaki or navy; don't mix.
- Shirt:** Wear blue Oxford-cloth shirts with long sleeves and button-down collars.
- Tag:** Name tag to be worn at all times.
- Shoes:** Leather dress or casual (polishable) shoes; no athletic shoes.
- Belt:** Required when appropriate.
- Tie:** Conservative and color coordinated. Required for managers.

Conflict Resolution Policy

As a store manager, you may have to address a problem one of your employees has, or handle a conflict between employees.

BLOCKBUSTER recognizes that employees do have questions, problems, or complaints regarding their employment. Feedback from employees, whether positive or negative, should be viewed as an opportunity to improve employee relations, employee/supervisor communications, and job satisfaction. In order to strengthen employee/supervisor relations, it is BLOCKBUSTER's policy to provide employees, either formally or informally, with the opportunity to express their complaints or concerns. No employee of BLOCKBUSTER will be treated in an improper manner as a result of filing an employee complaint.

All employees are to be treated equally. Any person who adversely treats an employee because they filed a complaint is subject to disciplinary action, up to and including termination. Information concerning an employee grievance is to be held in strict confidence. Supervisors, department heads, and other members of management who investigate a complaint are to discuss it only with those individuals who have a need to know about it or who are needed to supply necessary background information. This policy applies to all full- and part-time employees of BLOCKBUSTER.

Any situation which an employee feels is detrimental to their effectively performing their job is legitimate grounds for filing a complaint. Such problems may include, but are not limited to:

- Working conditions.
- Policies.
- Personal issues.

If one of your employees has a complaint, chances are that the cause of the complaint will be inhibiting their ability to be effective and productive. It could also adversely affect their interactions with customers and other employees. Therefore, it is sound business practice for you to ensure that you address your employee's concern in a timely manner.

Let's look at the steps you should follow to do so.

Conflict Resolution Procedure

When an employee brings to your attention a legitimate complaint, it is imperative that you try to resolve the conflict. If your employee is unsatisfied even after you have tried to resolve the issue, you must:

1. Prepare a dated, written summary of the complaint and proposed resolution for filing purposes. (Make every effort to resolve the issue at this level.)
2. If you cannot resolve the issue verbally with your employee, your employee should put their complaint in writing (using the *Conflict Resolution Form* shown in Figures 5a and 5b) and send it to your DM; they should also send a copy to the Zone/Corporate Human Resources Manager. Tell your employee that the form should clearly outline the situation and the relief being sought in the complaint.

See the *Conflict Resolution Policy* in the *Human Resources* section of the *Support Operations* volume of the SOP for more information about the Conflict Resolution process.

<u>Conflict Resolution Form</u>	
Employee Filing Complaint: _____	Signature: _____
Position: _____	Date: _____
Location: _____	
Manager: _____	
Briefly describe complaint or issue:	
_____ _____ _____ _____ _____ _____	
Briefly describe the remedy you are seeking:	
_____ _____ _____ _____ _____ _____	
_____ (Employee Signature)	_____ (Date)
Step 2: Investigation Ruling	
_____ _____ _____ _____ _____ _____	
_____ (Employee Signature (if satisfied w/resolution))	_____ (Date)
_____ (Manager Signature)	_____ (Date)
_____ (Human Resources Manager)	_____ (Date)

Figure 5a: Conflict Resolution Form (Front)

Step 3 Ruling: (If employee is not satisfied at Step 2)

[illegible]

(Employee Signature (if satisfied w/resolution))

(Date)

(Zone/Dept. Vice President Signature)

(Date)

(Director of Personnel)

(Date)

Step 4: Final Ruling

[illegible]

(Employee Signature (If satisfied w/resolution))

(Date)

(Vice President Human Resources/Admin.)

(Date)

Figure 5b: Conflict Resolution Form (Back)

Activity

NOTES

1. List five postings you must have in your store:

a. _____
b. _____
c. _____
d. _____
e. _____

2. What information should you provide when someone asks for a reference on a former or current employee? _____

3. What is the CSR dress code?

a. _____
b. _____
c. _____
d. _____
e. _____

4. Solve the conflict:

Steve Johnson, one of your CSRs, has been trying for two months to get tuition reimbursement. He had prior approval for the class and met all requirements to be reimbursed. He has gotten no satisfaction on his inquiries and neither have you. What should you do next?

5. According to the Employment of Relatives Policy, if one of the individuals becomes a supervisor after the marriage, or is a supervisor at the time of the marriage, a _____ of the non-supervisory individual to a different department or store is required.

If both individuals are supervisors, and it is determined that a conflict exists due to their relationship and positions, one of the individuals will be transferred. The selection of the transferred individual and of the position to be offered will be at the discretion of _____.

6. Never give out verbal or written employee information to _____ or _____ employees. When giving a reference, verify only _____.

7. Forward all employment insurance claims to _____.

8. Refer to your _____ for information on job-related injuries.

9. If an employee's appearance does not meet the company's dress standards when they report to work, you should _____.

Activity Answers

1. List five postings you must have in your store (suggested answers follow):

- Employee Polygraph Protection Act of 1988
- Fair Labor Standards Act
- Age Discrimination in Employment Act of 1967
- Title VII of the Civil Rights Act of 1964
- Occupational Safety and Health Act of 1970
- Americans with Disabilities Act (ADA)

2. What information should you provide when someone asks for a reference on a former or current employee?

Refer all other inquiries to the Corporate Personnel Records Department.

3. What is the CSR dress code?

Slacks: Wear khaki slacks. Women may substitute khaki skirts. Navy slacks/skirts are acceptable during the winter months. However, this is a regional decision. All employees are to wear either khaki or navy; don't mix.

Shirt: Wear blue Oxford-cloth shirts with long sleeves and button-down collars. When khaki slacks/skirts are worn, navy blue polo shirts are also acceptable. However, this is a regional decision. All employees are to wear either polo or oxford; don't mix.

Tag: Name tag to be worn at all times.

Shoes: Leather dress or casual (polishable) shoes; no athletic shoes.

Belt: Required when appropriate.

4. Since neither Steve nor you have gotten anywhere with your inquiries, Steve should submit a formal Conflict Resolution Form. Walk him through the process, if necessary.
5. According to the Employment of Relatives Policy, if one of the individuals becomes a supervisor after the marriage, or is a supervisor at the time of the marriage, a transfer of the non-supervisory individual to a different department or store is required.

If both individuals are supervisors, and it is determined that a conflict exists due to their relationship and positions, one of the individuals will be transferred. The selection of the transferred individual and of the position to be offered will be at the discretion of the supervisor and HR manager.
6. Never give out verbal or written employee information to present or former employees. When giving a reference, verify only dates of employment and position.
7. Forward all employment insurance claims to Corporate Payroll Department.
8. Refer to your Risk Management Manual for information on job-related injuries.
9. If an employee's appearance does not meet the company's dress standards when they report to work, you should send them home (off the clock) to change their clothes.

Store Training

To attract and retain qualified employees, numerous training courses and videos are available for our BLOCKBUSTER employees. BLOCKBUSTER Store Training is designed to improve our customer service, develop our employees to their maximum potential, improve operational efficiency, and strengthen financial results. BLOCKBUSTER offers in-store training (*The Starmaker Series*) and out-of-store training classes (although most are requirements of *The Starmaker Series*, you may wish to use them as stand-alone pieces as well). Let's discuss BLOCKBUSTER's in-store training first.

In-store Training

You can order all in-store training pieces from Distribution. However, you should coordinate all training efforts through your District Manager. Let's discuss *The Starmaker Series* first.

The Starmaker Series

A five-module, self-paced, in-store operations training program that requires employees to illustrate proficiency by demonstrating job skills. Each module -- *Customer Service Representative*, *Customer Relations Coordination*, *Assistant Manager*, *Senior Assistant Manager*, and *Store Manager* -- builds on the skill level of the previous module. You can order each module directly from Distribution.

New hires are required to complete *The Starmaker Series: Customer Service Representative* module, while Store Managers are required to complete the entire series. It's recommended that other employees complete the minimum of modules to meet their current position. An Assistant Manager should, at minimum, be certified in *The Starmaker Series: Customer Service Representative*, *The Starmaker Series: Customer Relations Coordination*, and *The Starmaker Series: Assistant Manager* modules. Each module is outlined below:

CSR - covers an orientation to BLOCKBUSTER and basic CSR skills, including memberships; check-ins, check-outs, and sales; special functions; suggestive selling; safety and security; and opening and closing duties. Order this module from Distribution (part number 352006)

CRC - covers account maintenance, customer retention, and community relations. Order this module from Distribution (part number 381051)

AM - covers basic MOD skills, including opening and closing duties; credits, refunds, and special transactions; till management; time and attendance; and product management. Order this module from Distribution (part number 295689)

SAM - covers advanced MOD skills, including new employee paperwork; administrative duties; store appearance standards; merchandising; defective product; physical inventory; loss and theft, managing performance, preventing sexual harassment, and time management. Order this module from Distribution (part number 352014)

SM - covers all management skills including hiring, labor scheduling and planning; reports; financials; and people management. Order this module from Distribution (part number 807710)

Besides *The Starmaker Series*, BLOCKBUSTER also offers a number of training videos. Videos are an extremely useful tool for training new employees. They provide both visual and audio interest while teaching important information. New personnel are better able to comprehend their responsibilities if they can see and hear someone actually doing their job. Again, many of these are requirements in *The Starmaker Series*, but you may want to use them as stand-alone training pieces or refresher training. The following videos are currently available:

Driscoll & Egbert

This is a parody of the well-known *At The Movies* television show starring Siskel & Ebert. Its emphasis is on quality customer service. The video reminds us that while we're at work, we are actors on stage and must be ready to perform a good show for our customers; it is also a requirement of *The Starmaker Series: Customer Relations Coordination* module. *Driscoll & Egbert* is available from the BLOCKBUSTER Distribution Center (part number 809811).

Listen, Think, Act

This tape emphasizes providing good customer service by listening to a customer's needs, thinking about how to fulfill those needs, and acting upon those thoughts. *Listen, Think, Act* is a good video that is fun to watch; it should be reviewed periodically by the entire staff. The film is available from the BLOCKBUSTER Distribution Center (part number 328381).

CSR Training Video: CSR Basic Skills

NOTES

The *CSR Training Video: CSR Basic Skills* is included in the *Training Resource Binder*; this video is 66 minutes long. The video is divided into the various job duties of a CSR; each section can be viewed independently of the rest of the video. It's available from the BLOCKBUSTER Distribution Center (part number 316806).

The Heart Of BLOCKBUSTER is Customer Service

This 25-minute video is mandatory for all employees. The video intertwines film clips with store employee interviews and messages from Wayne Huizenga and Gerry Weber. Its message is clear: make the most of your contact with customers by providing excellent customer service. The film is available from the BLOCKBUSTER Distribution Center (part number 809918).

Risk Management

Accompanied by the *Risk Management Manual*, this video focuses on the Hazardous Communications Law requirements. It encourages viewers to comply with state laws regarding accident prevention and fire extinguisher inspections, and shows how to comply with insurance company requirements. It also covers internal reporting of injuries and property damage occurring in stores. *Risk Management* is a requirement of *The Starmaker Series: Customer Service Representative* module. All employees must view this video and then sign the *Hazardous Materials Training Log*, which is required by Federal law. The film is automatically sent out to all new stores.

Silent Partner

The Silent Partner training video talks about loss and theft and offers employees tips for spotting potential theft and techniques for deterring it. Order this film from the BLOCKBUSTER Distribution Center (part number 316806). This video is currently part of the *CSR Basic Skills* video and will be assigned its own part number at a later date.

Out-of-Store Training

Coordinate the following training classes through your District Manager and Regional Trainer.

Preventing Sexual Harassment

This three-hour workshop defines sexual harassment and how to identify it in the workplace. The course examines the behaviors that create a hostile work environment and how to eliminate those behaviors in our stores. It introduces ways to respond to sexual harassment complaints. All BLOCKBUSTER assistant managers and managers are required to take this workshop. It is also a requirement of *The Starmaker Series: Senior Assistant Manager*.

Time Management

A three-hour workshop that covers setting goals, defining priorities, and making "to do" lists. Participants examine their own work habits to eliminate "time wasters" and to make their time spent in the store more productive. This workshop is recommended for all BLOCKBUSTER managers. It is also a requirement of *The Starmaker Series: Senior Assistant Manager*.

Hiring Service-Focused Employees

A five-hour workshop that teaches participants how to better screen applications, prepare for an interview, conduct a past behavior interview, and evaluate a candidate. Participants calculate the approximate cost of turnover in their store and model a past behavior interview. All BLOCKBUSTER managers are required to take this workshop. It is also a requirement of this module of *The Starmaker Series*.

Managing Performance I

This three-hour workshop examines how to manage people's behavior instead of attitudes. Participants define their communication style and examine how providing consequences and feedback shape employee behaviors. This film also highlights seven ways to better manage your people. This workshop is a prerequisite to Managing Performance II and is a requirement for all BLOCKBUSTER senior assistant managers and managers. It is also a requirement of *The Starmaker Series: Senior Assistant Manager*.

Managing Performance II

NOTES

A three-hour workshop that defines the six-step performance improvement process. This class teaches how to identify problem behavior and deal with it during a performance improvement meeting. It highlights how to handle employee defensiveness, emotions, denial, and hostility during a performance improvement meeting. Managing Performance II also covers the Company's progressive discipline process and termination policy as a hands-on workshop where participants can work through an actual problem. All BLOCKBUSTER managers are required to take this workshop. It is also a requirement of this module of *The Starmaker Series*.

Activity

Part I

1. Have your CSRs watch the *CSR Basic Skills Video*. Speak with them about what they learned.

Part II

1. Fill in the blank:
 - a. The _____ Video focuses on the Hazardous Communication Law requirements.
 - b. The _____ workshop covers setting goals and defining priorities.
 - c. The _____ class teaches participants how to better screen applications, prepare for an interview, and evaluate candidates.
 - d. The _____ class defines sexual harassment and how to identify it.
2. New personnel are better able to comprehend their responsibilities if they can see and hear someone actually doing their job.

True or False

Let's see how you did. Answers are on the next page.

Activity Answers

1. Fill in the blank:
 - a. The Risk Management Video focuses on the Hazardous Communication Law requirements.
 - b. The Time Management workshop covers setting goals and defining priorities.
 - c. The Hiring Service-Focused Employees class teaches participants how to better screen applications, prepare for an interview, and evaluate candidates.
 - d. The Preventing Sexual Harassment class defines sexual harassment and how to identify it.
2. New personnel are better able to comprehend their responsibilities if they can see and hear someone actually doing their job.

True.

Achievement 2 Certification

NOTES

This is a knowledge-based Achievement. To illustrate that you understand the company's policies and procedures, perform the following.

1. Use the checklist below to determine whether you have each of the government and company postings in your store. If you do not, order the posting.

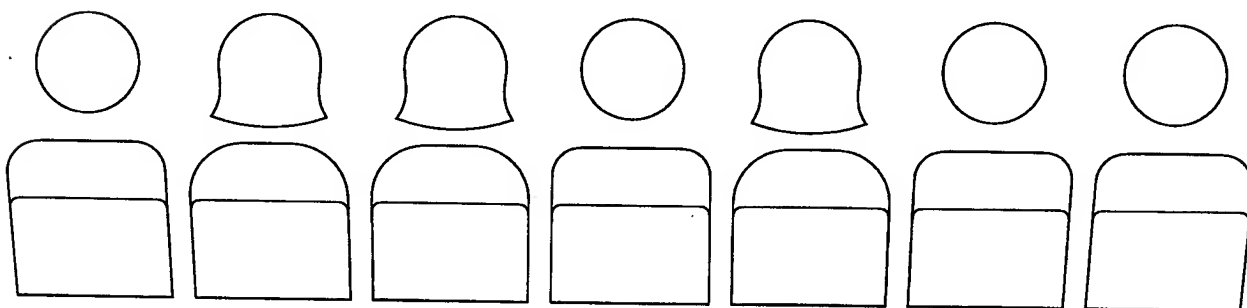
- ☐ *Employee Polygraph Protection Act of 1988*
- ☐ *Fair Labor Standards Act*
- ☐ *Age Discrimination in Employment Act of 1967*
- ☐ *Title VII of the Civil Rights Act of 1964*
- ☐ *Occupational Safety and Health Act of 1970*
- ☐ *Americans with Disabilities Act (ADA)*
- ☐ *Loss Prevention Hotline Spoiler Card*
- ☐ *Media Contacts Memorandum*
- ☐ *Sexual Harassment Policy*
- ☐ *Key Contact List*

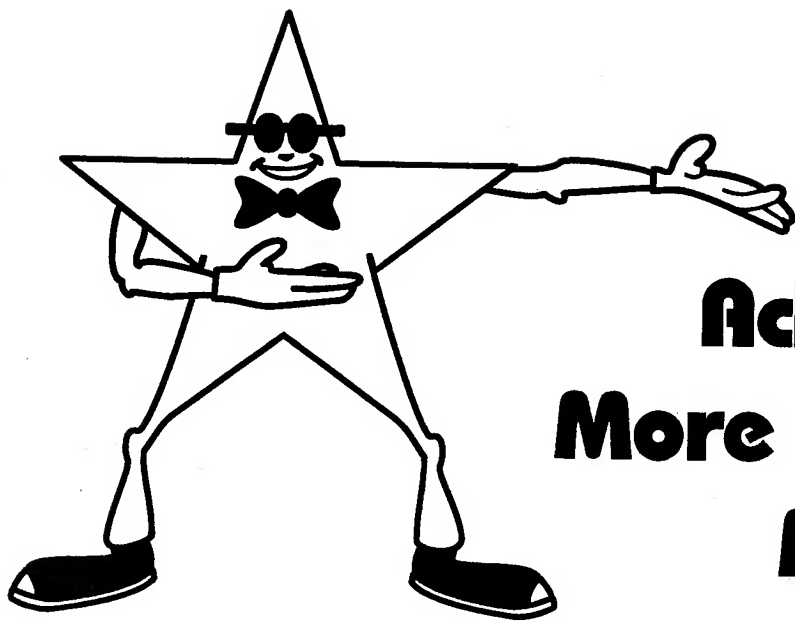
2. Explain your role as store manager if an employee is unable to resolve a conflict and brings it to your attention.
3. Briefly describe the training topics and audience of each course and video listed below (for example, *The Starmaker Series* teaches position-specific store operations to all employees, Preventing Sexual Harassment defines harassment, teaches how to take a complaint and is mandatory for all managers):
 - Time Management
 - Hiring Service-Focused Employees
 - Managing Performance I
 - CSR Basic Skills
 - The Heart of BLOCKBUSTER
 - Risk Management
 - Silent Partner

4. Describe how you would handle the following:
- A CSR and Assistant Manager in your store cannot resolve a personal conflict and it is affecting the morale of the whole store.
 - A company calls and asks you for a reference on a former employee.
 - An employee complains that their back hurts them after they picked up a box of new releases.
 - A CSR reports to work in a wrinkled blue oxford shirt and navy slacks.

Movie Trivia

2. Who is the most nominated actor who never won an Oscar?





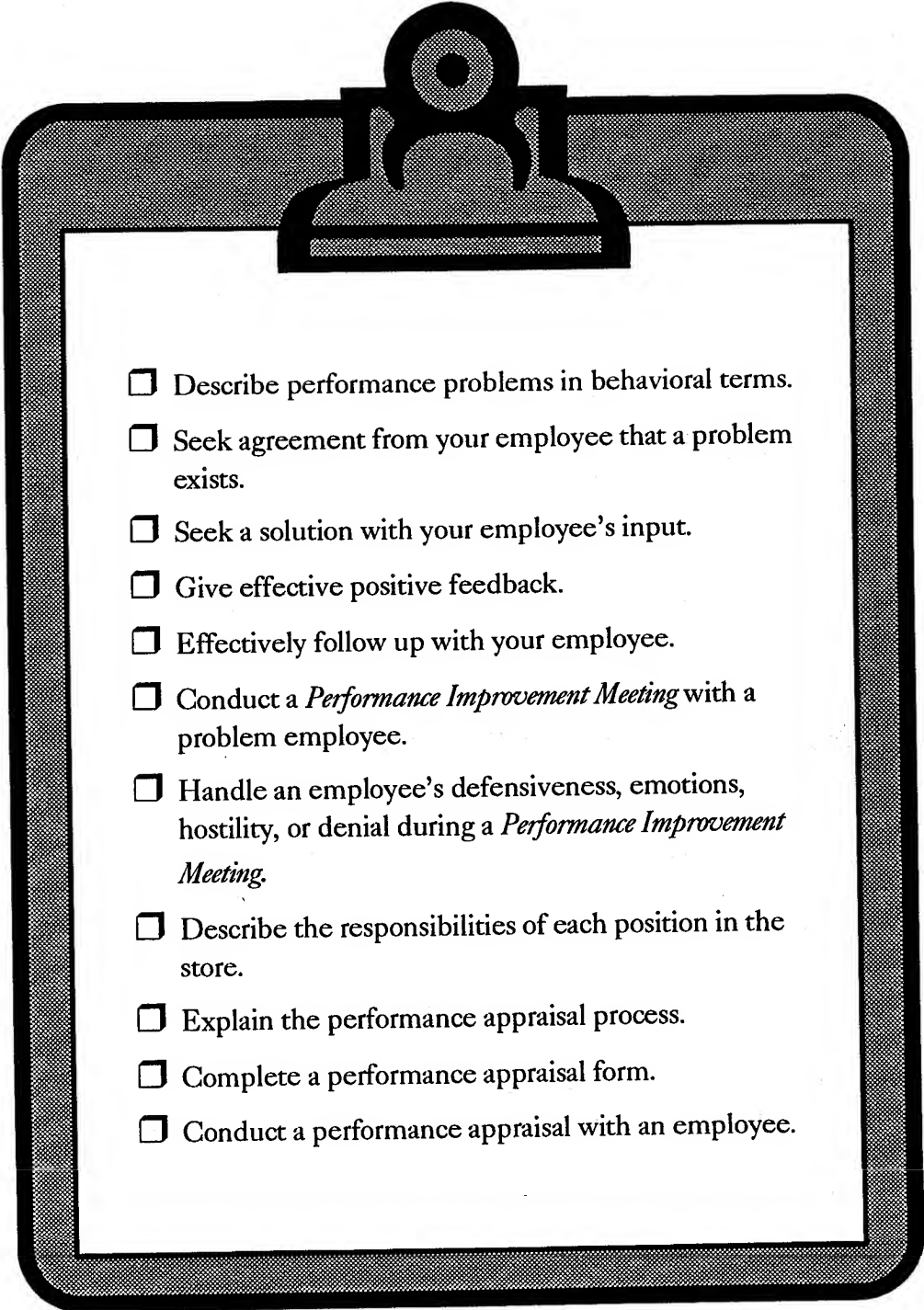
Achievement 3: More Performance Management

Overview

The old Hollywood star machine was very similar to a factory, producing and managing star talent for over 40 years. The star machine chose the star's name, created the star's image, and hand-picked the star's movies. The star's performance, in turn, was judged by how well they lived up to the image created by the star machine. While BLOCKBUSTER's performance standards aren't that rigid, we've become the leader in our field, in part due to the lofty standards we've set up for our employees.

Learning Objectives

This Achievement contains all of the information you will need to effectively manage the performance of your store's employees. When you have mastered the skills necessary to be proficient in this Achievement area, you will be able to:

- 
- ☐ Describe performance problems in behavioral terms.
 - ☐ Seek agreement from your employee that a problem exists.
 - ☐ Seek a solution with your employee's input.
 - ☐ Give effective positive feedback.
 - ☐ Effectively follow up with your employee.
 - ☐ Conduct a *Performance Improvement Meeting* with a problem employee.
 - ☐ Handle an employee's defensiveness, emotions, hostility, or denial during a *Performance Improvement Meeting*.
 - ☐ Describe the responsibilities of each position in the store.
 - ☐ Explain the performance appraisal process.
 - ☐ Complete a performance appraisal form.
 - ☐ Conduct a performance appraisal with an employee.

Managing Performance

NOTES

In *Managing Performance I*, you learned about what motivates your employees and how to offer feedback and positive reinforcement to positively shape behavior. Although those elements of managing performance are extremely important and are the foundation of people management, sometimes you will have to deal with performance problems and/or terminations. We're going to discuss both in this section.

Managing Performance II

To satisfy part of the requirements for this Achievement area, you must attend the 3-hour, out-of-store training class given by your Regional trainer.

The *Managing Performance II* class deals specifically with a six-step performance improvement process. It is a hands-on workshop that will help ensure you give your employees every chance to succeed by working with them to improve their performance.

This class addresses several of the learning objectives listed for this Achievement. Talk to your Store Manager or District Manager about when to schedule yourself for this class.

Progressive Discipline Policy

The *Performance Improvement Process* you learned about in the *Managing Performance II* class works in conjunction with the company's progressive discipline process. The policy gives you a means for documenting your Performance Improvement meetings.

BLOCKBUSTER believes that progressive discipline should be used to aid employees in correcting performance deficiencies and/or unacceptable behavior. Progressive discipline provides for more severe disciplinary action for repetitions of a particular offense or for a continuation of a work-related problem.

The progressive discipline policy also recognizes that the higher the level of responsibility of the employee, the more accountable they should be. There are circumstances, however, where immediate termination is warranted. Just as each employee has the right to terminate their employment at any time, BLOCKBUSTER retains a similar right.

When you conduct a Performance Improvement meeting with an employee, you must fill out a *Counseling Report Form* in keeping with the company's *Progressive Discipline Policy*. Let's discuss the Counseling Report Form, next.

Counseling Report Forms

Progressive discipline normally involves the following progression of corrective actions, but the progression may vary according to circumstances:

1. Verbal warning or warnings (must be documented and most likely occurs during a Performance Improvement meeting).
2. One or more written warnings (written notification of problem and expected corrective action occurs during second Performance Improvement meeting).
3. Final warning (occurs during third and final Performance Improvement meeting).
4. Termination.



The severity of the performance problem will determine the number of warnings and Performance Improvement meetings you conduct. A Gross violation may lead to immediate termination. We will talk about categories of violations in the next section.

Use a *Counseling Report Form*, shown in Figure 6, to document all Performance Improvement meetings (verbal and written warnings). Include the following in a written warning:

- Description of the problem
- Reference to all previous warnings
- Corrective action to be taken
- Future outcome for subsequent offenses

During the Performance Improvement meeting, explain that you are documenting the meeting (in keeping with the company's Progressive Discipline policy).

Both you and the employee must sign and date the warning. If the employee refuses to sign the warning, note this on the form. Follow the filing directions on the bottom of the form and forward a copy of the form to your Zone Human Resources Department.

BLOCKBUSTER VIDEO
America's Family Video Store

Counseling Report

Employee Name _____ Store / Cost Center Number _____
 Counseled by: _____
 Date _____ Time _____

Describe the Incident: _____

Specific Improvement required: _____

Follow-up: _____

Counseling is: Step 1 Verbal _____ Step 2 Written _____ Step 3 Final _____ Step 4 Termination _____

I acknowledge that I have received the above counseling.

Employee Signature _____ Date _____
 Employee Comments: _____

Supervisor Signature _____ Date _____
 Department Head Signature _____ Date _____
 Human Resources Signature _____ Date _____

White Copy - Personnel File Yellow Copy - Supervisor Pink Copy - Employee Revised May 1992

Figure 6: Counseling Report Form

The company classifies disciplinary problems into three classes: gross violations, major violations, and minor violations. The lists of violations and penalties are not meant to be all-inclusive. Other actions not listed may lead to disciplinary action, including termination. Let's discuss each class.

Class A — Gross Violation

Class A violations may be grounds for immediate termination. These include:

- Theft
- Use or possession of deadly weapons on Company grounds, property, or time
- Possession of alcoholic beverages and/or illegal drugs, use or working under the influence of drugs and/or alcoholic beverages on Company grounds, property, or time
- Sale of drugs and/or alcoholic beverages on Company grounds, property, or time
- Insubordination
- Assault of fellow employee or customer
- Practice of fraudulent/deceptive behavior
- Sexual harassment
- Time clock violations
- Violation of ethical standards of conduct
- Gross negligence that endangers people or property
- Release of confidential Company information
- Use of foul or abusive language in front of customers
- Failure to appropriately secure store assets, funds, or property
- Improper use of data base
- Alteration, manipulation, falsification, eradication, or removal of Company forms, papers, reports, or receipts
- Aiding and abetting gross violations
- Use of racial, ethnic, or sexual slurs
- Copying or distributing illegally copied prerecorded videotapes
- Refusal to cooperate in investigation of a crime or in internal investigations relating to policy violations
- Being absent for a period of three (3) consecutive days without prior notification and authorization
- Writing/cashing personal checks at store
- Borrowing from cash drawer or store change fund
- Failure to follow a reasonable order from a supervisor
- Violation of employee film familiarization policy and/or employee discount policy
- Verbally threatening fellow employees, customers, or their property.

Class B — Major Violation

On the first occurrence of a Class B — Major Violation, the employee is given a final written warning and advised that a recurrence will be grounds for termination. These include

- Negligent conduct
- Unauthorized smoking
- Excessive customer complaints
- Loitering and/or soliciting
- Abuse of the telephone or mail

Class C — Minor Violation

With a Class C -- Minor Violation, the employee is given a verbal and one or more written warnings before termination. These include:

- Excessive absenteeism/tardiness
- Violation of the dress code
- Lounging/loafing
- Unsatisfactory performance
- Violation of the parking policy

The Performance Improvement process and Progressive Discipline Policy are designed so you can work with your employees in a positive, constructive manner to improve their performance. Sometimes, however, you will have to terminate an employee. Let's discuss terminations next.

Terminations

In the *Managing Performance II* class you learned how to terminate an employee. We won't go through the process here, but we will cover the following aspects of terminations:

- Termination Policy
- Voluntary Terminations
- Involuntary Terminations
- Final Compensation
- Administration

Termination Policy

Understanding proper termination procedures is an important part of personnel management at BLOCKBUSTER. Therefore, the Company maintains this policy:

BLOCKBUSTER recognizes that terminations occur for a variety of reasons. Some are involuntary; others are voluntary. At the same time, we intend to maintain the continued growth and success of the Company through the selection and retention of qualified, productive, and dedicated employees. The intent of this policy is to protect the rights of our employees while also protecting the rights of the Company in any termination of employment.

Handle all terminations in a consistent, timely, and equitable manner. Conduct all employee terminations, both voluntary and involuntary, in an objective, professional manner. All full-time, exiting personnel should have an exit interview with the regional recruiter.

Voluntary Terminations

Voluntary terminations are those initiated by the employee. Resigning, retiring, quitting, or failing to return from a leave of absence are all considered voluntary terminations. Employee should notify their supervisor in writing at least two weeks before their last day with BLOCKBUSTER. A supervisor may elect to have a resigning employee cease working immediately. The employee, however, will be paid for work through the date of the intended resignation or through two weeks, whichever is shorter.

Involuntary Terminations

Involuntary terminations are those initiated by BLOCKBUSTER and may be due to business conditions or for cause. Terminations due to business conditions include separations resulting from a sale, discontinuance of a job or function, or a temporary or permanent layoff.

Terminations for cause can be for many reasons and should never come as a surprise to the employee. Unless it is a severe violation of company policy, you should have already tried to improve their performance. (While BLOCKBUSTER wishes to prevent terminations for cause and work with its employees to eliminate any cause for termination, termination may result from a first offense depending upon the magnitude of the policy violation.)

You cannot terminate without your District Manager's approval. Your DM will contact Human Resources. Refer to the Termination process in your *Managing Performance II* workbook for more information.

Final Compensation

An employee who leaves BLOCKBUSTER, either voluntarily or involuntarily, will be paid for all recorded hours worked, including overtime, and all accumulated vacation days due. State laws often dictate when an employee receives final pay. Call your Zone Human Resources or the Corporate Payroll Department for further information.

After you terminate someone, there are several administrative duties you must perform. Let's discuss those next.

Administration

After you terminate someone, you must:

- Complete a *PAF*.
- Collect all BLOCKBUSTER property from the employee.
- Complete security procedures.

Frequently, employees are eligible for a continuation of benefits. Call your Zone Human Resources or the Corporate Payroll Department for further information.

You **MUST** complete a *PAF* for all terminations. Refer to Figure 6 for a correctly completed termination *PAF*. Be sure to include:

- The proper termination code .
- A full description of circumstances of termination in Section H, Comments of the *PAF*.
- Termination date and the last day worked (the date of termination is the last day the individual is paid money, including vacations, severance pay, etc.). Obtain the appropriate approvals and send the *PAF*, along with all other documentation (e.g., counseling reports) to the Corporate Payroll Department.

BLOCKBUSTER VIDEO

Personnel Action Form

(See back for instructions and codes)

Identification									
A Dept. Name OPERATIONS		Region/Office CENTRAL		Location/Store 12345					
Last Name DOE		First Name JOHN		Middle Initial R		Social Security Number 123-45-6789			
Check type of Action: ☐ Requisition ☐ Employment ☐ Transfer ☐ Salary/Job Change ☒ Separation ☐ Other									
Requisition									
B Cost Center		Job Code		Job Title		Replacement for whom?		Budgeted Position?	
Salary Range		Check one box in each column:		☐ Exempt ☐ Full time ☐ Regular		Supervisor Signature		Date	
Department Head Signature		Date		☐ Non-Exempt ☐ Part time ☐ Temporary		C.O.D., C.F.O., V.P. Cons. Signature		Date	
H.R. Signature									
Personal/Employment									
C Hire Date		Cost Center		Job Title		Job Code		Source	
Base Salary		Other Compensation		☐ Male (M) ☐ Female (F)		☐ White/Non-Hispanic (1) ☐ Hispanic (2) ☐ American Indian/Alaskan Native (3) ☐ Native Hawaiian (4) ☐ Other (5)		☐ Advertising ☐ Reassign ☐ Enroll Ref. ☐ Walk-in ☐ Job Fair ☐ Agency	
Employee's Street Address									
City, State									
ZIP									
NOTIFY IN CASE OF EMERGENCY (name, address, business and home phones, relationship to employee)									
Home Phone Number									
Birth Date									
Transfer									
D From		Cost Center		Department Name		Location/Store		Effective Date	
To		Cost Center		Department Name		Location/Store		Explain Reason in Comments Section Below	
Salary or Job Change									
E Job Code		Job Title		Performance Review Rating		Salary		Increase Amount	
Current								Increase Percent	
New								Action Type	
								Status	
								Effective Date	
								Employment Status	
								☐ Full time ☐ Regular ☐ Part time ☐ Temporary	
								☐ Exempt ☐ Non-Exempt	
								☐ Full time ☐ Regular ☐ Part time ☐ Temporary	
								☐ Exempt ☐ Non-Exempt	
Separation									
F Termination Reason Code		VRE		Termination Date		7-1-92		Recommended for Rehire	
Leave of Absence Reason Code				Leave of Absence Effective Date				Severance Pay?	
Forwarding/New Address		123 ELM ST		AMTOWN, FL		12345		Amount	
								Vacation Days Due	
								To Employee ☐ To Company ☐	
Explain Reason in Comments Section Below									
Approvals									
G Initiator Signature		Date		Supervisor Signature		Date		Department Head Signature	
H.R. Signature		Date		C.O.D., C.F.O., V.P. Cons. Signature		Date			
Comments									
H JOHN RESIGNED TO RESUME HIS EDUCATION									

Distribution: White -- Payroll Record Yellow -- H.R. Records Pink -- Supervisor Copy Copyright 1994 BLOCKBUSTER Entertainment Corp. Revised April 1991

Figure 7: Personnel Action Form (Termination)

Collect all BLOCKBUSTER property before the end of the employee's final working day. This includes:

- Name Tags
- Store keys
- Any other property issued to the employee during their employment

For security reasons, you must do the following:

- Put the employee's membership on hold until the last payroll run.
- Blank out the employee's password. DO NOT reassign employee number.
- Change the store call list.
- Change the signature cards at the bank, if applicable.
- Change the alarm codes and inform the security company and the appropriate BLOCKBUSTER personnel, if applicable.

Activity

1. Give three examples of a Class A - Gross Violation:

- a. _____
- b. _____
- c. _____

2. Give three examples of a Class B - Major Violation:

- a. _____
- b. _____
- c. _____

3. Give three examples of a Class C - Minor Violation:

- a. _____
- b. _____
- c. _____

4. List the steps of Progressive Discipline:

- a. _____
- b. _____
- c. _____
- d. _____

5. Fill in the blanks:

BLOCKBUSTER believes that _____ should be used to aid employees in correcting _____ and/or _____. Progressive discipline provides for more severe disciplinary action for _____ or for a continuation of _____. The program also recognizes that the higher the level of responsibility of the employee, the _____. There are circumstances, however, where _____. It should be understood that just as each employee has the right _____ at any time, BLOCKBUSTER retains a similar right.

6. What is the difference between voluntary and involuntary terminations?

7. List the six-step performance improvement process:

- ---
- ---
- ---
- ---
- ---
- ---

8. All full-time exiting personnel should have an exit interview with the regional recruiter.

True or False

9. Explain BLOCKBUSTER's final compensation policy:

10. What are the three administrative functions which must be performed when an employee is terminated?

a.

b.

c.

Let's see how you did. Answers are on the next page.

Activity Answers

1. Give three examples of a Class A - Gross Violation

Answers will vary.

2. Give three examples of a Class B - Major Violation

Answers will vary.

3. Give three examples of a Class C - Minor Violation

Answers will vary.

4. List the steps of Progressive Discipline:

- a. Verbal warning or warnings (must be documented).
- b. One or more written warnings (written notification of problems and expected corrective action).
- c. Final warning.
- d. Termination.

5. Fill in the blanks:

BLOCKBUSTER believes that progressive discipline should be used to aid employees in correcting performance deficiencies and/or unacceptable behavior. Progressive discipline provides for more severe disciplinary action for repetitions of a particular offense or for a continuation of a work-related problem. The program also recognizes that the higher the level of responsibility of the employee, the more accountable they should be. There are circumstances, however, where immediate termination is warranted. It should be understood that just as each employee has the right to terminate their employment at any time, BLOCKBUSTER retains a similar right.

6. What is the difference between voluntary and involuntary terminations? Voluntary terminations are initiated by the employee; involuntary terminations are initiated by the company.
7. List the six-step performance improvement process:
 - Identify the problem behavior.
 - State the problem in behavioral terms to the employee.
 - Seek agreement from employee that problem exists.
 - Seek a solution.
 - Offer positive reinforcement.
 - Follow up.
8. All full-time exiting personnel should have an exit interview with the regional recruiter.

True
9. Explain BLOCKBUSTER's final compensation policy:

An employee who leaves BLOCKBUSTER, either voluntarily or involuntarily, will be paid for all recorded hours worked, including overtime, and all accumulated vacation days due.
10. What are the three administrative functions which must be performed when an employee is terminated?
 - a. Complete the PAF.
 - b. Collect all BLOCKBUSTER property from the employee.
 - c. Complete security procedures.

Personnel Issues

In addition to improving performance, the following topics are other performance management issues you will need to deal with as a Store Manager.

- Position Descriptions
- Performance Appraisals
- Salary Actions
- Position Changes

Position Descriptions provide job descriptions for the CSR, Assistant Manager, and Store Manager. All employees should know the basic objectives, duties, and responsibilities for their position.

Progressive Discipline discusses the different disciplinary problems and categories. It covers the appropriate disciplinary actions to take and the progression in which to take them.

Performance Appraisals discuss the major performance appraisal objectives and requirements. It includes instructions for completing the CSR Performance Appraisal and the AM/SAM/Manager Performance Planning and Evaluation.

Salary Actions discuss the purpose of the compensation program and guidelines for salary increases.

Position Changes cover promotions, reassignments, and demotions.

Position Descriptions

The following position descriptions cover the three basic types of store employees:

- Customer Service Representative (CSR)
- Assistant Manager (AM)
- Store Manager (SM)



Refer to *Support Operations Chapter 2 - Human Resources* for complete position descriptions.

Customer Service Representative

The Customer Service Representative, job codes 46103 (PT) and 46101 (FT), reports to the Store Manager/Manager on Duty, and has no supervisory duties. The basic objective of this position is to maximize the customer experience by getting more customers to rent and buy more product in greater frequency. In addition, the CSR must:

- Enthusiastically greet and assist customers in selecting and checking in/out video product.
- Maintain an entertainment atmosphere in the store by always projecting a positive, upbeat, and energetic attitude.
- Maintain a consistent and current level of knowledge on BLOCKBUSTER Video's product selection to effectively serve customers and suggest alternate or incremental product.
- Notify the MOD of any unresolved customer disputes.
- Accurately record all transactions and safekeeping of cash/other assets.
- Assist in the training of new employees.
- Follow store operating procedures as directed by store management.
- Keep the interior and exterior of the store clean and organized.
- Participate in inventory as required by store management.

The CSR has the following authority:

- Limited credit issuance
- Verification of membership credentials
- Check acceptance per zone policy

The CSR is not responsible for:

- Interviewing
- Product purchase
- Hiring and terminating
- Management reports

The CSR's job performance will be evaluated according to the following key criteria:

- Customer service skills and attitude
- Suggestive renting and selling
- Punctuality and attendance
- Appearance
- Cash handling accuracy
- Teamwork and goal attainment

The required prerequisites for this position are:

- Integrity
- Good eye contact; friendly, enthusiastic behaviors
- Effective telephone etiquette
- People-oriented
- Successful completion of *The Starmaker Series: Customer Service Representative* module.

The preferred prerequisites are:

- Movie knowledge
- Retail experience
- Cash handling

If a CSR performs well above their job responsibilities, they may progress to the position of Assistant Manager.

Assistant Manager

NOTES

The Assistant Manager, job code 16102, reports to the Store Manager/Manager on Duty. The AM will supervise CSRs when they are the MOD. The basic objective of this position is to:

- Maximize the customer experience and revenue by getting more customers to rent and buy more product in greater frequency.
- Maximize the employee experience
- Control store expenses.

The primary focus of this position is the customer and ensuring the highest level of customer service. To achieve this goal, the AM will assist the SM in managing and protecting store's capital resources, as well as in managing a store's human resources by participating in the selection, testing, development, training, coaching, counseling, and evaluating of the store team (including self-development). The AM will also function as the MOD when assigned. They must provide effective leadership to the store team to ensure their maximum effectiveness in meeting sales, rental, and service objectives; in essence, to lead by example. In addition, the AM is responsible for the opening, operating, and the closing of the store, as well as for daily bank deposits. The AM must:

- Ensure that all current BLOCKBUSTER operational and administrative procedures and guidelines are followed.
- Keep interior and exterior of store clean and organized.
- Ensure that store safety and security measures are carried out by all employees to protect the customers, the employees, and the store.

The AM has the authority to resolve all customer disputes and to access all management password-protected functions on the store system. The AM is not responsible for hiring personnel, salary administration, or terminating. The key evaluation criteria used to gauge an AM's performance are:

- Customer service
- Revenue components
- MOD shift performance
- Performance as a member of the management team

The prerequisites for the position are:

- Good eye contact and customer interaction
- One or more years experience in retail preferred
- Strong customer service and communication skills
- High degree of familiarity with movie titles and contents
- Demonstration of proficiency in all CSR duties
- A college degree is preferred
- Successful completion of *The Starmaker Series: Customer Service Representative*, *The Starmaker Series: Customer Relations Coordination*, and *The Starmaker Series: Assistant Manager* modules

If an AM performs their duties exceptionally well, they may progress to the position of a Store Manager.

Store Manager

NOTES

The Store Manager reports to the District Manager and supervises all SAMs, AMs, and CSRs in their store. The basic objective of this position is to manage a store's human and capital resources in order to maximize the key result areas: customer experience, employee experience, quality of operations, and financial results. The SM must:

- Select, test, develop, train, coach, counsel, and evaluate all store team members to minimize turnover and maximize their contribution to BLOCKBUSTER's customer service and financial results.
- Maximize rental and sales revenue.
- Manage operating expenses to a minimum level while meeting BLOCKBUSTER's standards of customer service.
- Resolve customer problems or complaints at the store level to the satisfaction of the customer.
- Supervise customer service duties; in essence, to lead by example.
- Keep the interior and exterior of the store clean and organized.
- Schedule, organize, and direct the assignment and supervision of store personnel in order to achieve the store's operating, financial, and maintenance objectives.
- Maintain employee records as provided by BLOCKBUSTER procedures and appropriate legislative laws.
- Ensure that store safety and security measures are fully understood and carried out by all employees.
- Complete all required operating reports and projects in an accurate and timely manner.
- Maintain the store to facilitate an effective inventory.
- Ensure the proper execution of marketing and promotional programs and effective visual merchandising.
- Be responsible (with the District Manager) for the development and execution of local store marketing programs.
- Be aware of and have sensitivity to competitive issues.
- Protect inventory and all other assets.
- Maintain a complete knowledge of store operations.
- Must be the closing manager a minimum of two times a week, with at least one of those shifts being a Friday or Saturday night.
- Maintain a current movie knowledge.

The Store Manager has the authority to resolve all customer disputes, to access all management password-protected functions in the store system, to manage a 1% discretionary budget, to hire (including Assistant Managers) of all store employees, as well as to terminate (must involve the District Manager). The key evaluation criteria used to gauge the SM's performance are:

- Evaluation of employee experience
- SPR performance
- Revenue components
- Performance as a member of the management team
- Customer service execution
- Individual development of SAM, AM, and CSRs
- Compliance with Company and zone standards of performance and policies

The prerequisites for the SM position are:

- BLOCKBUSTER Senior AM
- Good eye contact and customer interaction
- Two or more years experience in retail preferred
- Strong customer service and communication skills
- High degree of familiarity with movie titles and contents
- Demonstration of proficiency in all CSR duties
- Successful completion of *The Starmaker Series: Customer Service Representative*, *The Starmaker Series: Customer Relations Coordination*, *The Starmaker Series: Assistant Manager*, *The Starmaker Series: Senior Assistant Manager*, and *The Starmaker Series: Store Manager* modules
- A college degree preferred for this position

The Store Manager may be promoted to the position of a District Manager, or to the Regional or Zone staff.

Performance Appraisals

A performance appraisal is the process of identifying, measuring, and developing employee performance. Appraisals are used for career development, goal setting, performance assessment, feedback on managerial style, and communication between employee and manager. Performance appraisals are the basis for sound personnel decisions. Performance appraisals have many purposes, all having considerable impact on employees and managers. A major part of a manager's success is directly related to the growth and development of each employee's job knowledge and skill. The appraisal process provides an excellent opportunity to open lines of communication between employees and managers. All aspects of the appraisal process encourage open communication. In addition, this is an opportune time to explore with employees their feelings about their job, their performance, and their expectations for the future.

Performance Appraisal Objectives

A performance appraisal occurs before every merit pay increase, in conjunction with each major job or supervisory change, and in any event, at least once a year. Because there should be continual performance analysis, coaching, and feedback during the time prior to the performance appraisal, there should be no surprises to either you or your employee during this meeting. The major objectives of the performance appraisal are:

1. To provide a formal review to determine how the employee is performing and progressing on the job.
2. To provide the employee with a basis for improving their performance through a fair and objective appraisal of their work against the requirements documented in the job description.
3. To help the employee acquire the knowledge and abilities needed to become eligible for more responsible jobs, thereby providing the Company with people qualified to move into new jobs created by growth of the business.
4. To reassess the accuracy of the position description and the applicability of the job's performance expectations to the future goals and objectives of the organization.
5. To provide formal justification for salary recommendations, as well as a basis for review of salary actions already taken, thus making the critical connection between pay and performance.

Performance Appraisal Requirements

The following guidelines apply:

- All employees are reviewed annually (and more frequently if circumstances warrant) during the month of March; this review includes a performance appraisal and a salary recommendation; however a salary action does not necessarily accompany every performance appraisal.
- Hourly (non-exempt) employees are appraised during their first six months of employment and then commence with the annual process as stated above.
- All performance appraisals and/or salary recommendations must be reviewed by Human Resources prior to being communicated to the employee.
- If a performance appraisal has not been completed within the preceding six months, a new one is required for any employee who is being recommended for a merit increase, promotion or demotion, or transfer to a new position.
- If a supervisor who is transferring or moving to another position has not had a performance appraisal within six months, a new appraisal is required.
- Each year, Corporate Compensation develops salary increase guidelines consistent with Corporate objectives. These guidelines and associated procedural information will be sent to all zones for implementation.

Salary Actions

Compensation programs at BLOCKBUSTER are designed to achieve the following:

- To provide an administrative framework for a sound program that complies with all federal, state, and local laws without regard to sex, religion, or national origin.
- To maintain a fair posture between different and similar jobs.
- To establish a viable compensation posture to attract and retain qualified employees.
- To provide rewards on the basis of performance.
- To provide incentives to accomplish short-term objectives and longer term rewards for completion of Corporate strategies.

All employees of BLOCKBUSTER are eligible for a salary action on an annual basis. The date of this salary action is based on your current job classification. It is the intent of this policy to ensure that no employee goes longer than twelve months without an opportunity for a salary action. All recommendations for salary action must be accompanied by a completed performance appraisal. The following guidelines apply:

- All salaried (exempt) and hourly (non-exempt) employees are eligible for a salary action in March of each year. Increases are scheduled to go into the pay which includes the first complete pay cycle of that month (each day of the fourteen days in the cycle falls into the month of March).
- Each year prior to the process of making salary recommendations, the Corporate Compensation Department provides salary increase guidelines that have been established as a result of that year's merit budget. All recommendations should be made in accordance with these established guidelines. Any recommendations outside of the guidelines is subject to an exceptional approval process. All procedural information with regard to annual salary actions and exceptions is distributed with the merit increase guidelines.
- If an employee's last increase date (or hire date) is less than twelve months prior to the date of the annual salary action, that employee's increase will be pro-rated on the portion of the twelve month period the employee has completed. Pro-rations are not necessary if the earlier salary action was the result of a promotion.

Position Changes

BLOCKBUSTER attempts to promote from within whenever possible. Additionally, the Company utilizes a reassignment or demotion strategy when circumstances dictate such.

Promotions

The following guidelines apply:

- A promotion is a move to a different position of greater responsibility than the position previously held by the employee; this change also encompasses a change in responsibilities.
- An employee who is promoted will receive an increase based on the established guidelines for that year at a "Meets Standard Performance" rating; no pro-rata will apply.
- If an employee is promoted but at a later date returns to the previously held position, the promotional increase will be taken away.
- An employee's annual review cycle is not changed when they are promoted.

Voluntary Reassignment

An employee initiates reassignment for a career change or enhancement of opportunities for future growth. A review will be conducted to determine what salary action, if any, is to be taken.

Involuntary Reassignment

An employee may be reassigned as a result of a change in work requirements, such as a reorganization. The employee maintains their current salary as long as it is within a reasonable range of the position to which reassigned.

Demotions

A demotion is a move to a position of lesser responsibility than the position previously held by the employee. It is usually due to disciplinary reasons or inability to perform the duties of the job assigned. A notice of Unsatisfactory Performance must accompany a demotion and explain in detail the reasons. A review will be conducted to determine what salary action, if any, will be taken.

Activity

NOTES

Part I

1. With your manager observing you, complete a performance appraisal form on one of your CSRs. Because this is only an exercise, it is an unofficial appraisal and should not be put into the employee's personnel file. Discuss the appraisal with your manager as you complete each section.

Part II

1. List three objectives of the performance appraisal:

- a. _____
- b. _____
- c. _____

2. Fill in the blanks:

All employees are reviewed _____ (and more frequently if circumstances warrant) during _____; this review includes a _____; however a salary action does not necessarily accompany every performance appraisal. All performance appraisals and/or salary recommendations must be reviewed by Human Resources prior to being communicated to the employee. If a supervisor who is _____ to another position has not had a _____, a new appraisal is required.

3. List the prerequisites for a CSR position:

- _____
- _____
- _____
- _____
- _____

4. The three preferred prerequisites for a CSR position are:

5. List the prerequisites for an AM position:

- _____
- _____
- _____
- _____
- _____
- _____
- _____

6. Fill in the blanks:

All employees of BLOCKBUSTER are eligible for a salary action on _____. The date of this salary action is based on your _____. It is the intent of this policy to ensure that no employee goes longer than twelve months without an opportunity for a salary action.

Let's see how you did! Answers are on the next page.

Activity Answers

1. List three objectives of the performance appraisal (there are five):
 - a. To provide a formal review to determine how the employee is performing and progressing on the job.
 - b. To provide the employee with a basis for improving their performance through a fair and objective appraisal of their work against the requirements documented in the job description.
 - c. To help the employee acquire the knowledge and abilities needed to become eligible for more responsible jobs, thereby providing the Company with people qualified to move into new jobs created by growth of the business.
 - d. To reassess the accuracy of the position description and the applicability of the job's performance expectations to the future goals and objectives of the organization.
 - e. To provide formal justification for salary recommendations, as well as a basis for review of salary actions already taken, thus making the critical connection between pay and performance.

2. Fill in the blanks:

All employees are reviewed annually (and more frequently if circumstances warrant) during the month of March; this review includes a performance appraisal and a salary recommendation; however a salary action does not necessarily accompany every performance appraisal. All performance appraisals and/or salary recommendations must be reviewed by Human Resources prior to being communicated to the employee. If a supervisor who is transferring or moving to another position has not had a performance appraisal within six months, a new appraisal is required.

3. List the prerequisites for the CSR position:
 - Integrity
 - Good eye contact; friendly, enthusiastic behaviors
 - Effective telephone etiquette
 - People-oriented
 - Successful completion of *The Starmaker Series: Customer Service Representative* module.

4. The three preferred prerequisites for a CSR are:
 - Movie knowledge
 - Retail experience
 - Cash handling

5. List the prerequisites for an AM position:
 - Good eye contact and customer interaction
 - One or more years experience in retail preferred
 - Strong customer service and communication skills
 - High degree of familiarity with movie titles and contents
 - Demonstration of proficiency in all CSR duties
 - A college degree is preferred
 - Successful completion of *The Starmaker Series: Customer Service Representative*, *The Starmaker Series: Customer Relations Coordination*, and *The Starmaker Series: Assistant Manager* modules

6. All employees of BLOCKBUSTER are eligible for a salary action on an annual basis. The date of this salary action is based on your current job classification. It is the intent of this policy to ensure that no employee goes longer than twelve months without an opportunity for a salary action.

Achievement 3 Certification

NOTES

This is a knowledge-based and skill-based Achievement. To be certified in this Achievement area, complete Parts I and II below.

Part I

Become certified in *Managing Performance II*.

Date of Class _____

Regional Trainer _____

Date of certification _____

Part II

1. Complete a *Performance Appraisal Form* on an AM in your store with 100% accuracy. Let your manager review them. This is not an official document so it should be discarded and not put into the employee's personnel file.
2. Fill out a PAF for yourself with 100% accuracy. Indicate a salary increase. Again, this is not an official document, so discard it when you are finished.
3. Using the six-step Performance Improvement Process, outline how you would handle the following performance problem.

You observe one of your CSRs, John, checking out a customer. The customer is renting a VCP and John is mumbling to himself that the Equipment Checklist is a ridiculous piece of red tape. You hear him tell the customer that they are going to have to wait because he has "to do this stupid paperwork." The customers are visibly beginning to get agitated. You talked to him last night about his refusal to look in the drop box for a new release a customer requested. Specifically, he told the customer he didn't have time to check the drop box and they should try to find some other movie.

NOTES

3. Fill out a *Progressive Discipline Form* on John Smith based on the Performance Improvement Meeting you had because of the scenario outlined in #3.

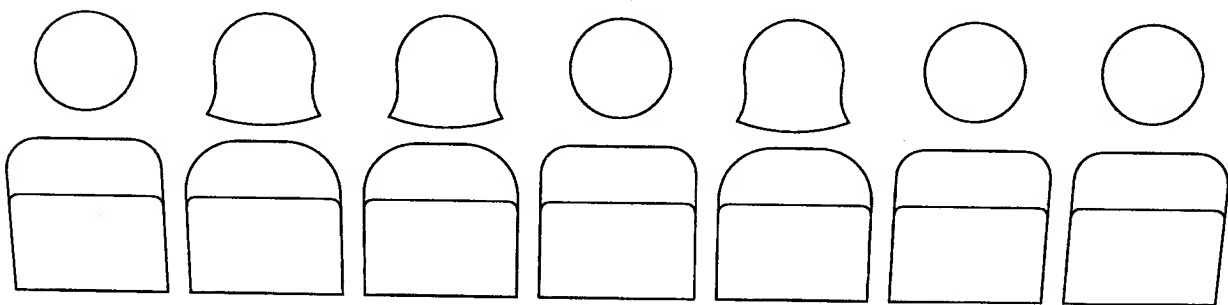
Congratulations!

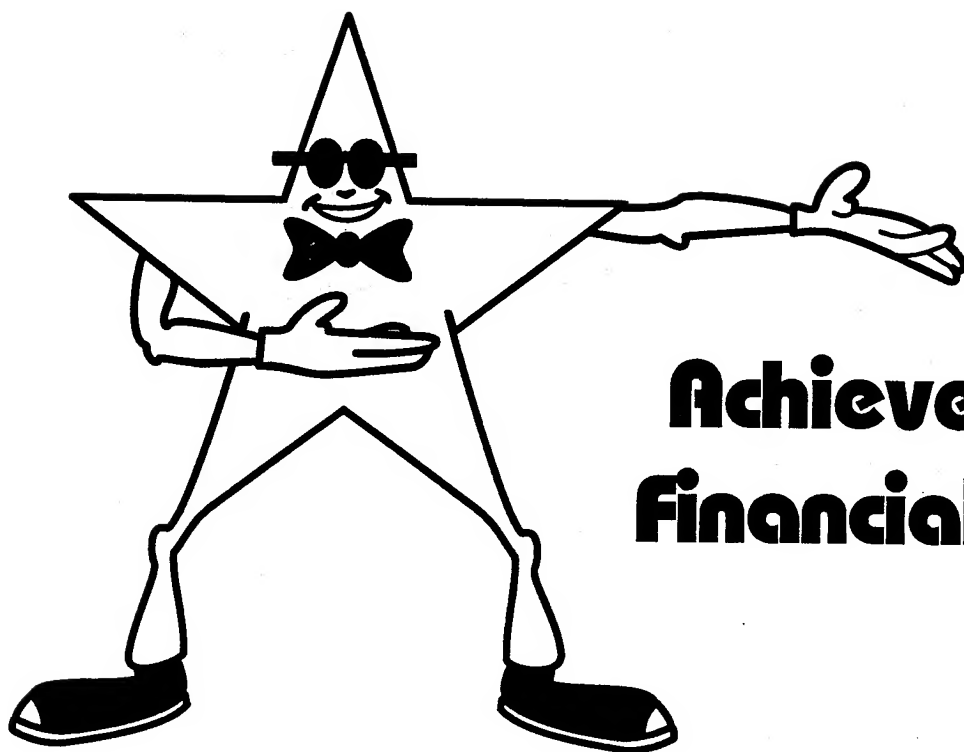
Store Manager _____

Date _____

Movie Trivia

3. In how many movies did Humphrey Bogart and Lauren Bacall appear together?





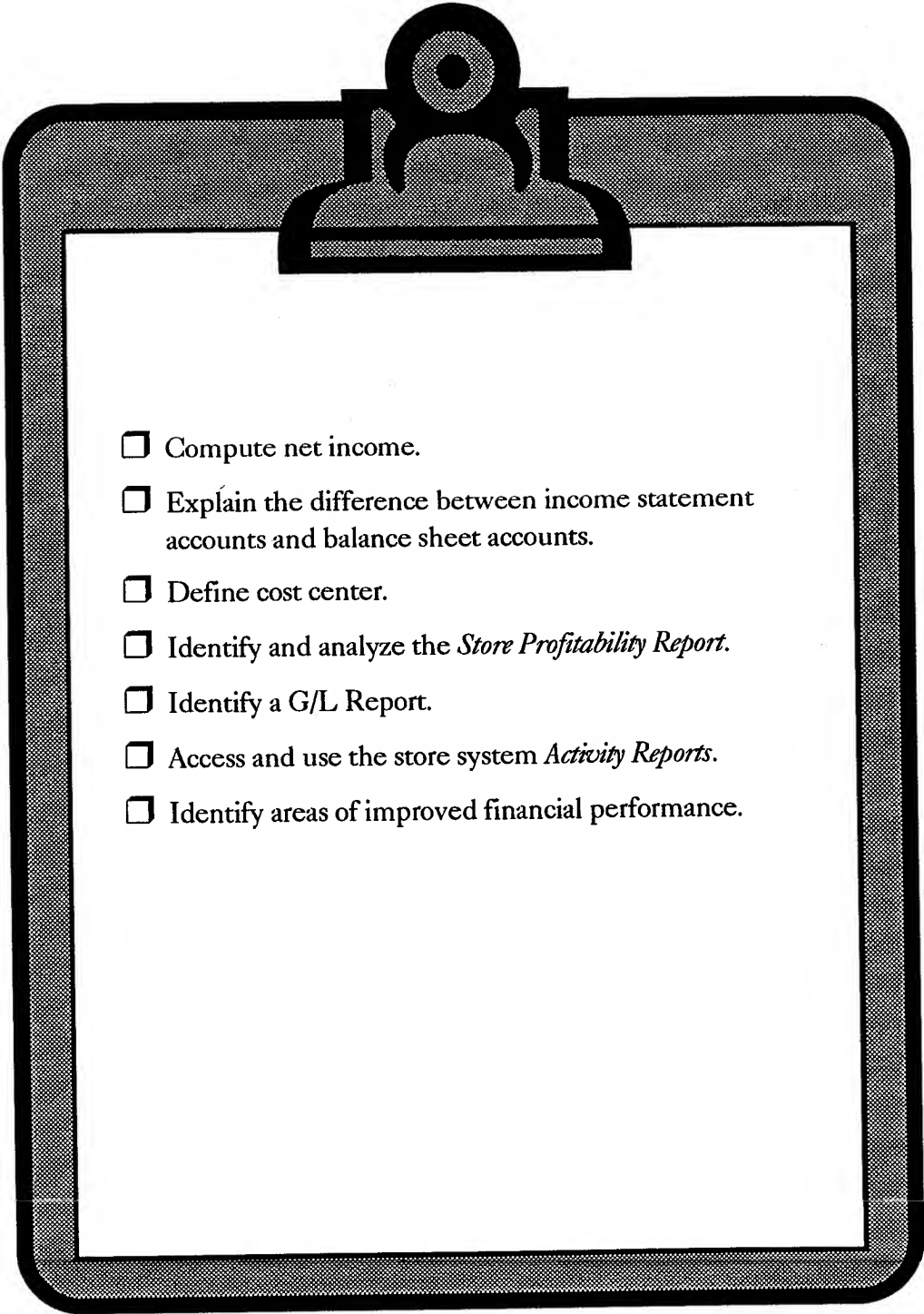
Achievement 4: Financial Results

Overview

Financial results is the name of the game when you become a top star in Hollywood. A star's salary is directly proportional to their box office appeal, and a measure of their continuing success. Those stars whose names become household words are truly rewarded for their efforts. In your position as an SM, you too can make the "big time." Financial results for you at BLOCKBUSTER mean how well your store is doing at making money.

Learning Objectives

This Achievement contains all of the information you will need to measure the financial results of your BLOCKBUSTER store. Once you have mastered the skills necessary to be proficient in this area, you will be able to:

- 
- ☐ Compute net income.
 - ☐ Explain the difference between income statement accounts and balance sheet accounts.
 - ☐ Define cost center.
 - ☐ Identify and analyze the *Store Profitability Report*.
 - ☐ Identify a G/L Report.
 - ☐ Access and use the store system *Activity Reports*.
 - ☐ Identify areas of improved financial performance.

Basics of Financial Measurement

Like most other businesses, BLOCKBUSTER measures its financial results by measuring its net income. The details of this measurement method are:

- The Accrual Method
- Capitalization
- Inventory

Measuring Net Income

Net income is the main measure of a business's profitability. Net income is computed by totaling the income from all sales (called *revenue*) and subtracting all costs and expenses. The resulting figure is the business's net income. Net income is also sometimes called a business's *bottom line*.

When computing net income, there are a few rules that every business follows. This is so that when people discuss a business's net income, everyone knows how the figure was calculated.

The chief rule is that revenue must be matched against the costs and expenses that helped generate that revenue. This rule is known as the *matching concept*. Businesses use three tools to help follow this rule. These tools, the accrual method, capitalization, and inventory are explained below.

The Accrual Method

When BLOCKBUSTER computes its net income using the accrual method, revenues and expenses are recorded when earned or incurred rather than when the business actually disburses or takes in cash. This means that, if a customer takes delivery of something BLOCKBUSTER sells (such as an accessory or previously viewed tape) in January and pays for it in March, BLOCKBUSTER records the revenue from that widget in January.

Also, if an employee works 160 hours in June but is not paid for this time until July, the payroll expense for the 160 hours earned is recorded in June. Most businesses use the accrual method of accounting.

Because there can be a time lapse between a sales date and a payment date, businesses often have *outstanding transactions*. These are transactions that have been recorded, but haven't been paid. Any transaction that has been recorded but not paid to the business is called a *receivable* because the business expects to receive money for that transaction in the future. Any transaction that has been recorded but not paid by the business is called a *payable* because the business expects to pay that transaction in the future.

These items are also called *accounts receivable* and *accounts payable*. Any account balance owed to BLOCKBUSTER by customers are accounts receivable.

Capitalization

NOTES

is an accounting technique used to spread the cost of an asset over the useful life of the asset.

Every business needs to buy certain things as part of doing business. These items — anything permanently owned by a business used to do business — are considered *fixed assets* of the business and are part of a company's net worth. Fixed assets can be bought or sold, and can be anything from office equipment to a film library to a roadside billboard to communications satellites.

When a business buys an asset such as a computer or a piece of office furniture, the full cost of that asset is not immediately subtracted from the cost of doing business. Instead, a fraction of the cost is subtracted from the business's periodic (usually monthly) net income over the useful life of the asset. If an asset is expected to last for five years, the cost of the asset is *amortized* over those 60 months rather than applied all at once.

Inventory

The term *inventory* refers to merchandise that the business has purchased to sell but has not yet sold (this covers BLOCKBUSTER's sell-thru inventory only). Inventory is considered an asset until it is sold. When it is sold, the cost to BLOCKBUSTER of the sold items is a subtraction in arriving at net income; the amount the business sold the items for is an addition in arriving at net income. If we sell the item for more than we paid for it, then net income went up; the company made a profit on the item.

Keeping a balanced inventory on hand is an important part of doing business. If a business has too much inventory, free cash is decreased. If it doesn't have enough inventory, it will sell out too soon and lose customers.

Rental inventory is handled in a different manner than sell-thru inventory. While rental inventory is considered an asset, it is not purchased to sell to customers. Instead, it is considered a *long-term* asset (also known as a *fixed* or *plant* asset). The usefulness of a fixed asset decreases over time. As an asset's usefulness decreases, the value of the asset is decreased. This decrease is called *depreciation* and is a normal cost of doing business.

Activity

NOTES

1. Net income is computed by: _____

2. Name the three methods of accounting BLOCKBUSTER uses to measure its net income:
 - a.
 - b.
 - c.
3. Explain the matching concept: _____

4. Net income is also called a business' gross profits.
True or False
5. Capitalization is an accounting technique used to spread the cost of an asset over the useful life of the asset.
True or False

Activity Answers

1. Net income is computed by totalling the income from all sales and subtracting all costs and expenses.
2. Name the three methods of accounting BLOCKBUSTER uses to measure its net income:
 - a. Accrual
 - b. Capitalization
 - c. Inventory
3. Explain the matching concept:
A business' revenue must be matched against the costs and expenses which helped generate that revenue.
4. Net income is also called a business' gross profits.
False, it is called the business' bottom line.
5. Capitalization is an accounting technique used to spread the cost of an asset over the useful life of the asset.
True

BLOCKBUSTER's Financial Measuring System

The BLOCKBUSTER accounting system (also known as the General Ledger or the G/L system) is the core of the company's financial measurement system. This computerized system houses all of the company's financial transactions and balances. It is the hub of store and Corporate financial reporting.

The information in the G/L system is divided into:

- Accounts
- Cost centers
- Transactions

Accounts

BLOCKBUSTER keeps track of many types of transactions and balances. The G/L system keeps track of these by assigning each type of transaction to a unique accounts. The listing of all of these accounts and what they track is referred to as the *chart of accounts*. There are two basic types of accounts: income statement accounts and balance sheet accounts.

Income Statement Accounts

Income statement accounts (also known as *profit and loss accounts*) are used to track revenues and expenses. Examples of these accounts include rental revenue, rental credits, and compensation. These accounts are integral to store profitability, so store managers should be very familiar with them. These accounts are reported on the *Store Profitability Report*.

Balance Sheet Accounts

Balance sheet accounts are used to track assets and liabilities. BLOCKBUSTER's balance sheet accounts are maintained by the Corporate Accounting department. The rental library and inventory amounts are the main balance sheet accounts that store managers should be familiar with, because they are responsible for controlling these costs.

Cost Centers

Each BLOCKBUSTER store is assigned a unique *cost center* number for tracking account transactions. Think of a cost center like a bank account, except that BLOCKBUSTER is the bank; when your store incurs an expense (for payroll, carpet cleaning, etc.), BLOCKBUSTER charges the expense to your cost center.



Cost centers are *for tracking purposes only*. They help BLOCKBUSTER keep track of store revenue, expenses, and assets.

Transactions

A *transaction* is any kind of sale, purchase, or exchange. The BLOCKBUSTER accounting system recognizes three main types of transactions:

- Store System Transactions — Certain transactions recorded in your store system are gathered and summarized in the G/L system.
- Disbursements — BLOCKBUSTER makes two kinds of cash disbursements: accounts payable disbursements (for purchases) and payroll.
 - Accounts payable — This account is used to pay all vendor invoices. At the end of each accounting period all invoices are summarized by account and cost center.
 - Payroll — The store computer system captures worked hours and transmits the information to the payroll department bi-weekly. At the end of each accounting period all payroll transactions are summarized by cost center in the G/L system.
- Corporate Transactions — This includes certain standard transactions such as depreciation of corporate assets, amortization of rental inventories, and accruals for major operating expenses such as rent, payroll, utilities, etc.

These transactions are summarized in BLOCKBUSTER's financial reports.

Activity

NOTES

Answer the following questions about BLOCKBUSTER'S financial measuring system.

1. Another name for the BLOCKBUSTER accounting system is?
 - a. Corporate cost system
 - b. General Ledger system
 - c. Accrual system
 - d. General cost accounting system

2. The Accounts, Cost Centers, and Transactions make up the Corporate Cost system.

True or False

3. What are the two basic types of accounts?

4. Which type of account is used to track revenues and expenses?

5. Where do your stores expenses get charged?

6. Define a transaction.

Activity Answers

Answer the following questions about BLOCKBUSTER'S financial measuring system.

1. Another name for the BLOCKBUSTER accounting system is?
 - a. Corporate cost system
 - b. General Ledger system
 - c. Accrual system
 - d. General cost accounting system

2. The Accounts, Cost Centers, and Transactions make up the Corporate Cost system.

True or False

3. What are the two basic types of accounts?
Income statements and Balance sheet accounts.

4. Which type of account is used to track revenues and expenses?
Income statement accounts.

5. Where does your stores expenses get charged?
Cost center number.

6. Define a transaction.
A transaction is any type of sale, purchase or exchange.

BLOCKBUSTER's Financial Reports

To keep track of each store's financial performance, BLOCKBUSTER uses certain daily, weekly, and monthly financial reports. Store managers must be up to date on their store's profitability, so they must review their financial results during the month as well as at the month's end.



DO NOT restrict your review of these reports to a monthly activity. While BLOCKBUSTER's standard reporting period is a month, store profitability can change day by day. Be sure to review financial reports frequently.

Your main tools for reviewing financial performance during the month are the:

- *The Store Daily Report*
- *The Store Weekly Report*
- *The Period To Date Accounting Summary Report*
- *The Period To Date Revenue Summary Report*
- *The Period To Date Performance Summary Report*

Since all of these reports are standard BLOCKBUSTER store system reports, store managers can produce them at any time.

Your main tools for reviewing financial performance at the end of each month are:

- *The Store Profitability Report*
- *The G/L Detail Report*

Each of these reports is prepared by Corporate Accounting and distributed to store personnel each month. A discussion of each report follows.

The Store Profitability Report (SPR)

After each accounting period, Corporate Accounting produces the *Store Profitability Report* (as shown in Figure 8, below) based upon account balances taken from BLOCKBUSTER's general ledger system. The *SPR* is distributed to store and zone management about two weeks after each accounting period.

The *SPR* is usually a three-page report and includes revenue, costs of sales, and net profitability data. It does not contain transaction level information; see the *General Ledger Detail Report* for the raw data that makes up the *SPR*.

BLOCKBUSTER ENTERTAINMENT CORP Store Profitability Report-Detail Domestic Store Operations										
Account Description	Current Month					Year to Date				
	Actual	X	Budget	X	Favorable (Unfav) Variance	Actual	X	Budget	X	Favorable (Unfav) Variance
REVENUE:										
Rental Revenue:										
Film Rentals	40,768	75.2	45,526	77.6	(4,758)	246,251	76.6	243,732	79.8	2,519
Game Rentals	2,040	3.8	2,017	3.4	23	12,362	3.9	12,472	4.2	(310)
Laser Disc & Other Rentals										
Extended Viewing Fees	10,586	19.5	10,068	17.2	518	57,890	18.0	43,087	14.1	14,803
Equipment Rentals	848	1.6	1,087	1.8	(239)	4,711	1.5	5,839	1.9	(1,128)
Gross Rental Revenue	54,242	100.0	58,647	100.0	(4,405)	321,414	100.0	305,481	100.0	15,933

BLOCKBUSTER ENTERTAINMENT CORP Store Profitability Report-Detail Domestic Store Operations										
Account Description	Current Month					Year to Date				
	Actual	X	Budget	X	Favorable (Unfav) Variance	Actual	X	Budget	X	Favorable (Unfav) Variance
COST OF SALES:										
Cost of Rentals:										
Rental Library Amortization	16,937	31.9	16,822	29.6	(115)	82,578	26.4	83,422	28.2	844
Shrink-Non-Returned Films	235	.4	327	.6	92	1,450	.5	1,662	.6	181
Shrink	91	.2	115	.2	24	262	.1	604	.2	342
Total Cost of Rental	17,263	32.5	17,265	30.3	2	84,320	26.9	85,687	28.9	1,367

BLOCKBUSTER ENTERTAINMENT CORP Store Profitability Report-Detail Domestic Store Operations										
Account Description	Current Month					Year to Date				
	Actual	X	Budget	X	Favorable (Unfav) Variance	Actual	X	Budget	X	Favorable (Unfav) Variance
Film/Case Repair						83				(83)
Store Supplies-Distribution	192	.3	340	.5	148	848	.2	1,648	.6	(1,000)
Store Brewer Disbursements	16				(16)	428	.1			(428)
Store Supplies-Local Purchase	122	.2	94	.2	(27)	352	.1	492	.2	(140)
Cash Over/Short	(2)		14		16	(2)		74		76
Store Marketing Expense										
Advertising Allocation	2,405	4.0	2,516	4.0	111	14,249	4.0	13,118	4.0	(1,131)
Telephone-Base Rate & Other	268	.4	211	.3	(57)	1,330	.4	1,159	.4	(171)
Telephone-Long Distance	19		24		5	66		121		55

Figure 8: The Store Profitability Report (SPR)

Contents Of The Store Profitability Report

NOTES

The *SPR* consists of two columns labeled *Current Month* and *Year to Date* (YTD). The Current Month column contains financial data only for the current accounting period, while the YTD column presents financial data from the beginning of the year to the end of the current accounting period. The two columns are highlighted in Figure 9 below:

BLOCKBUSTER ENTERTAINMENT CORP Store Profitability Report-Detail Domestic Store Operations										
Account Description	Current Month				Favorable (Unfav) Variance	Year to Date				Favorable (Unfav) Variance
	Actual	%	Budget	%		Actual	%	Budget	%	
REVENUE:										
Rental Revenue:										
Film Rentals	40,760	75.2	45,526	77.6	(4,758)	246,251	76.6	243,732	79.8	2,519
Game Rentals	2,040	3.8	2,017	3.4	23	12,562	3.9	12,872	4.2	(310)
Laser Disc & Other Rentals										
Extended Viewing Fees	10,366	19.3	10,068	17.2	518	57,890	18.0	43,057	14.1	14,853
Equipment Rentals	848	1.6	1,037	1.8	(188)	4,711	1.5	5,839	1.9	(1,128)
Gross Rental Revenue	54,214	100.0	58,647	100.0	(4,405)	321,414	100.0	305,481	100.0	15,933

Figure 9: Columns of the SPR

The Current Month and Year to Date columns both contain three sub-columns. These sub-columns — labeled *actual*, *budget*, and *favorable (unfavorable) variance* — are described in the table below.

Each of the figures in these columns is followed by a percentage figure, the percentage of that item to revenue. There is also a column that lists last year's figures.

COLUMN	CONTENTS	
Actual	Actual financial results gathered from summation of General Ledger account balances	
Budget	Expected financial results from the budget approved at beginning of fiscal year	
Favorable (Unfavorable) Variance	REVENUE Column	EXPENSES Column
	Difference between actual revenue and budgeted revenue	Difference between actual expenses and budgeted expenses
	(Unfavorable results in parentheses)	(Unfavorable results in parentheses)

Areas Of The Store Profitability Report

The *SPR* contains the following major areas:

- Revenue
- Cost Of Sales
- Gross Margin
- Operating Costs And Expenses
- Store Operating Margin

Revenue is the total dollar amount (before sales tax) charged to customers for rentals and sales. The revenue area is divided into rentals and sales. Rental credits are subtracted from gross rental revenue. Sales credits are subtracted from gross product sales.

Revenue data fills the first page of the *SPR*. The revenue page is shown in Figure 10 below.

BLOCKBUSTER ENTERTAINMENT CORP. Store Profitability Report-Detail Domestic Store Operations										
Account Description	Current Month					Year to Date				
	Actual	X	Budget	X	Favorable (Unfav) Variance	Actual	X	Budget	X	Favorable (Unfav) Variance
REVENUE:										
Rental Revenue:										
File Rentals	40,745	75.2	45,526	77.6	(4,758)	246,251	76.6	253,732	79.8	2,519
Queue Rentals	2,040	3.8	2,017	3.4	23	12,562	3.9	12,472	4.2	(310)
Laser Disc & Other Rentals										
Extended Viewing Fees	10,586	19.3	10,068	17.2	518	57,890	18.0	43,057	14.1	14,853
Equipment Rentals	848	1.6	1,087	1.8	(108)	4,711	1.3	5,839	1.9	(1,108)
Gross Rental Revenue	54,242	100.0	58,647	100.0	(4,405)	321,614	100.0	305,481	100.0	15,933
Less Rental Credits:										
Operational Credits-Rentals	(1,049)	(2.0)	(1,173)	(2.0)	104	(5,962)	(1.9)	(6,110)	(2.0)	147
Discounts-Rentals	(30)	(.1)	(293)	(.3)	264	(264)	(.1)	(1,527)	(.5)	1,261
Prere Cr & Coup-Rentals	(79)	(.1)	(293)	(.3)	214	(2,112)	(.7)	(1,527)	(.5)	(585)
Total Rental Credits	(1,177)	(2.2)	(1,759)	(3.0)	582	(8,540)	(2.6)	(9,164)	(3.0)	624
Net Rental Revenue	53,065	98.2	56,888	98.4	(3,823)	313,073	97.9	296,316	98.4	16,757
Product Sales:										
New Films	3,929	53.4	2,815	43.6	1,114	19,969	42.7	12,187	36.0	7,782
New Games						95	.2	56	.2	39
New Laser Disc & Oth										
New Films - Special Order	220	3.0	120	1.9	100	1,890	4.0	2,053	6.1	(163)
New Equipment	71	1.0	80	1.4	(17)	554	1.2	500	1.3	46
PVT - Films	1,957	21.2	1,288	18.7	349	13,806	29.5	6,969	20.6	6,837
PVT - Games	35	.5	6	.1	29	1,209	2.6	30	.1	1,179
PVT - LB & Other										
PVT - Equipment			24	.4	(24)			44	.1	(44)
Blank Tape	381	5.2	745	11.6	(364)	2,057	4.4	2,991	8.6	(935)
Accessory	19	.3	44	.7	(25)	146	.3	317	.9	(171)
Confection	1,142	15.3	1,390	21.6	(248)	7,082	15.0	6,521	25.2	(1,409)
Literature	3	.0	3	.0		35	.1	34	.1	
Promotion Items			10	.2	(10)			165	.5	(165)
Gross Product Sales	7,397	100.0	6,450	100.0	907	46,792	100.0	33,876	100.0	12,916
Less Sales Credits:										
Operational Credits-Sales	(254)	(3.3)	(387)	(6.0)	133	(3,532)	(7.5)	(2,000)	(5.9)	(1,532)
Discounts-Sales	(6)	(.1)	(26)	(.4)	20	(49)	(.1)	(136)	(.4)	86
Prere Cr & Coupon-Sales	(34)	(.5)	(19)	(.3)	19	(34)	(.1)	(102)	(.3)	68
Total Sales Credits	(260)	(3.3)	(432)	(6.7)	172	(3,615)	(7.7)	(2,237)	(6.6)	(1,378)
Net Product Sales	7,097	11.8	6,018	9.6	1,079	43,177	12.1	31,640	9.6	11,537
TOTAL NET REVENUE	60,161	100.0	62,906	100.0	(2,745)	356,250	100.0	327,956	100.0	28,294

Figure 10: *SPR* — Revenue Area

The *cost of sales* is the total dollar amount spent to purchase and maintain rental and sales items. This area is made up of:

NOTES

- **Cost of rental** — Amortization of rental library.
- **Cost of product sales** — Made up of the purchase price of goods sold (also known as *cost of goods sold* or *COGS*) and the costs associated with selling the goods.
- **Inventory shrinkage** — Lost, stolen, or non-returned rental or sales product.

The cost of sales area is highlighted in Figure 11 below:

Account Description	Current Month				Favorable (Unfavor) Variance	Year to Date				Favorable (Unfavor) Variance
	Actual	X	Budget	X		Actual	X	Budget	X	
COST OF SALES:										
Cost of Rentals:										
Rental Library Amortization	16,937	31.9	16,822	29.6 (	175	62,576	26.4	63,432	26.2 (	644
Shrink-Non-Returned Films	235	.4	327	.6	92	1,480	.5	1,662	.6	181
Shrink	91	.2	115	.2	24	662	.1	804	.2	342
Total Cost of Rental	17,263	32.5	17,265	30.3	2	64,300	26.9	65,697	26.9	1,367
Cost of Product Sales:										
COGS-New Film	2,751	70.0	1,971	70.0 (	780	13,976	70.0	8,531	70.0 (	5,447
COGS-New Games						71	75.0	42	75.0 (	297
COGS-New LD & Other			86	70.0 (	70	1,323	70.0	1,437	70.0 (	114
COGS-Special Order	194	70.0				905	55.0	280	55.0 (	25
COGS-New Equipment	19	55.0	68	70.0 (	244	9,444	70.0	4,879	70.0 (	4,706
COGS-PVT - Film	1,090	70.0	846	70.0 (	200	846	70.0	21	70.0 (	625
COGS-PVT - Game	24	70.0								
COGS-PVT - LD & Other			17	70.0	17			31	70.0	51
COGS-PVT - Equipment	209	55.0	410	55.0	200	1,111	55.0	1,045	55.0	514
COGS-Incensement	15	75.0	31	75.0	19	110	75.0	230	75.0	128
COGS-Confection	628	55.0	769	55.0	137	3,048	55.0	4,886	55.0	819
COGS-Literature	2	74.9	7	75.0	7	26	75.0	26	75.0	124
COGS-Production Items								121		
Shrink-Retail	30	.4	245	3.6	215	(1,488)	(3.2)	1,275	3.6	2,763
Total Cost of Product Sales	4,942	69.2	4,429	66.7 (	513	29,834	63.8	23,215	68.5 (	6,620
Cost of Sales	22,205	56.9	21,694	34.5 (	511	14,193	32.0	88,901	35.2 (	9,253
GROSS MARGIN	37,997	63.1	41,212	65.5 (	3,253	262,096	68.0	219,053	66.0	23,041
OPERATING COSTS & EXPENSES:										
Controllable Costs:										
Compensation:										
Management Salary	2,077	3.5	1,949	3.1 (	128	14,430	4.1	10,643	3.2 (	3,787
Management Hourly	3,792	4.3	2,766	4.4 (	1,026	16,456	4.6	15,992	4.3 (	464
CR Ings	2,469	4.3	3,560	5.7	960	15,370	4.4	19,049	5.8	3,479
Bonus										
Prilege Benefits	1,316	2.2	1,336	2.1	20	7,777	2.1	7,044	2.1 (	733
Total Compensation	9,794	14.3	9,620	15.3 (	174	54,053	15.2	50,728	15.5 (	3,305
Other Controllable Costs:										
Building R & M	1,048	1.7	995	.9 (	453	2,653	.7	3,126	1.0	473
Electric, Water & Gas	1,516	2.5	1,664	2.3 (	527	6,949	1.8	7,169	2.2	600
Security			109	.2	879			545	.2	545
Equipment Maintenance	32	.1	80	.1	48	833	.2	400	.1 (	433
Computer Maint Agreements	8				0	26				26

Figure 11: SPR — Cost of Sales Area

The *gross margin* is the total net revenue minus cost of sales. The gross margin line of the *SPR* is highlighted in Figure 12 below:

Account Description	Current Month					Year to Date				
	Actual	X	Budget	X	Favorable (Unfavor) Variance	Actual	X	Budget	X	Favorable (Unfavor) Variance
COST OF SALES:										
Cost of Rentals:										
Rental Library Amortization	16,937	31.9	16,822	29.6	(115)	62,578	26.4	63,422	28.2	844
Shrink-New/Returned Films	235	.4	327	.6	93	1,420	.5	1,662	.6	242
Shrink	91	.2	115	.2	24	262	.1	404	.2	142
Total Cost of Rental	17,263	32.5	17,265	30.3	2	64,320	26.9	65,488	28.9	1,168
Cost of Product Sales:										
COGS-New Film	2,751	70.0	1,971	70.0	(780)	13,978	70.0	8,531	70.0	(5,447)
COGS-New Games						71	75.0	42	75.0	(29)
COGS-New LD & Other			84	70.0	(70)	1,323	70.0	1,437	70.0	114
COGS-Special Order	154	70.0	48	55.0	9	305	55.0	280	55.0	(25)
COGS-New Equipment	39	55.0	846	70.0	(244)	9,664	70.0	4,879	70.0	(4,785)
COGS-PVT - Film	1,090	70.0	4	70.0	(20)	666	70.0	21	70.0	(645)
COGS-PVT - Games	24	70.0								
COGS-PVT - LD & Other			17	70.0	17			31	70.0	31
COGS-PVT - Equipment			410	55.0	200	1,131	55.0	1,665	55.0	534
COGS-Black Tapes	209	55.0	33	75.0	19	110	75.0	210	75.0	128
COGS-Accessories	15	75.0	33	75.0	18	3,668	55.0	4,686	55.0	819
COGS-Confection	628	55.0	765	55.0	(137)	26	75.0	26	75.0	0
COGS-Literature	2	74.9			(2)			124	75.0	124
COGS-Promotion Items			7	75.0	7	(1,488)	(3.2)	1,275	5.8	2,763
Shrink-Retail	30	.4	245	1.8	215					
Total Cost of Product Sales	4,942	67.2	4,429	68.7	(513)	29,834	65.8	23,215	68.5	(6,620)
Cost of Sales	22,205	36.9	21,694	36.5	(511)	114,154	32.0	108,703	33.2	(5,451)
GROSS MARGIN	37,957	63.1	41,212	63.5	(3,255)	242,096	68.0	219,023	66.0	(23,073)
OPERATING COSTS & EXPENSES:										
Controllable Costs:										
Compensation:										
Management Salary	2,077	3.5	1,949	3.1	(128)	14,630	4.1	10,643	3.2	(3,987)
Management Hourly	3,792	6.3	2,756	4.4	(1,036)	18,438	4.6	13,992	4.3	(4,446)
CSR Wages	2,609	4.3	3,549	5.7	940	15,570	4.4	18,049	5.8	2,479
Bonus						7,377	2.1	7,044	2.1	(333)
Fringe Benefits	1,316	2.2	1,316	2.1	20			50,728	15.5	(5,305)
Total Compensation	9,794	16.3	9,620	15.3	(174)	34,083	15.2	50,728	15.5	(3,305)
Other Controllable Costs:										
Building R & M	1,048	1.7	595	.9	(453)	2,453	.7	3,126	1.0	473
Electric, Water & Gas	1,516	2.5	1,444	2.3	(72)	6,549	1.8	7,169	2.2	620
Security			809	.2	809			545	.2	(545)
Equipment Maintenance	32	.1	80	.1	(48)	833	.2	480	.1	(353)
Computer Maint Agreements	8				(8)	26				(18)

Figure 12: SPR — Gross Margin Line

This area itemizes all non-product costs related to running a store. These costs are broken down into two categories:

- **Controllable costs** — costs that can be influenced or controlled by the store or by zone management. Examples include compensation, maintenance and repair, and bad debt expenses.
- **Non-controllable costs** — costs that generally cannot be influenced or controlled by the store. Examples include rent, property tax, and insurance.

The operating costs and expenses area is highlighted in Figures 13 and 14

BLOCKBUSTER ENTERTAINMENT CORP. Store Profitability Report-Detail Domestic Store Operations										
Account Description	Current Month					Year to Date				
	Actual	%	Budget	%	Favorable (Unfavor) Variance	Actual	%	Budget	%	Favorable (Unfavor) Variance
COST OF SALES:										
Cost of Rental:										
Rental Library Amortization	16,937	31.9	16,822	29.6	(115)	82,578	26.4	83,432	28.2	854
Shrink-Non-Retained Film	235	.4	327	.6	92	1,480	.5	1,662	.6	182
Shrink	91	.2	115	.2	24	362	.1	604	.2	242
Total Cost of Rental	17,263	32.5	17,265	30.3	2	84,320	26.9	85,697	28.9	1,367
Cost of Product Sales:										
COGS-New Film	2,751	70.0	1,971	70.0	(780)	13,076	70.0	8,531	70.0	(4,545)
COGS-New Canon						71	75.0	42	75.0	(29)
COGS-New LD & Other						1,323	70.0	1,437	70.0	114
COGS-Special Order	154	70.0	84	70.0	(70)	305	70.0	280	70.0	(25)
COGS-New Equipment	39	55.0	48	55.0	9	305	55.0	280	55.0	(25)
COGS-PVT - Film	1,090	70.0	846	70.0	(244)	9,664	70.0	4,879	70.0	(4,785)
COGS-PVT - Home	24	70.0	4	70.0	(20)	868	70.0	21	70.0	(847)
COGS-PVT - LD & Other										
COGS-PVT - Equipment			17	70.0	17			31	70.0	31
COGS-Blank Tapes	209	55.0	410	55.0	200	1,131	55.0	1,865	55.0	734
COGS-Accessories	15	75.0	33	75.0	19	110	75.0	238	75.0	128
COGS-Confection	628	55.0	765	55.0	137	3,868	55.0	4,486	55.0	618
COGS-Literature	2	74.9	7	75.0	5	26	75.0	26	75.0	
COGS-Promotion Items								126	75.0	126
Shrink-Retail	30	.4	265	5.8	235	(1,488)	(3.2)	1,275	5.8	2,763
Total Cost of Product Sales	4,942	67.2	4,429	68.7	(513)	29,834	67.8	23,215	68.5	(6,620)
Cost of Sales	22,205	56.9	21,694	54.5	(511)	114,154	52.0	108,912	53.2	(5,242)
GROSS MARGIN	37,957	63.1	41,212	65.5	(3,255)	242,086	68.0	219,055	66.8	(23,031)
OPERATING COSTS & EXPENSES:										
Controllable Costs:										
Compensation:										
Management Salary	2,077	3.5	1,949	3.1	(128)	14,630	4.1	10,643	3.2	(3,987)
Management Hourly	3,792	6.3	2,766	4.4	(1,026)	18,454	4.6	13,992	4.3	(4,462)
CSR Wages	2,609	4.3	3,549	5.7	940	15,570	4.4	19,049	5.8	3,479
Bonus										
Fringe Benefits	1,316	2.2	1,316	2.1	20	7,377	2.1	7,044	2.1	(332)
Total Compensation	9,794	16.3	9,620	15.3	(174)	54,031	15.2	50,728	15.5	(3,303)
Other Controllable Costs:										
Building R & M	1,048	1.7	595	.9	(453)	2,651	.7	3,126	1.0	475
Electric, Water & Gas	1,316	2.5	1,464	2.3	(148)	6,549	1.8	7,169	2.2	620
Security			100	.2	100			545	.2	545
Equipment Maintenance	32	.1	80	.1	48	837	.2	400	.1	(437)
Computer Maint Agreements	8				(8)	25				(25)

Figure 13: SPR — Operating Costs and Expenses Area

BLOCKBUSTER ENTERTAINMENT CORP. Store Profitability Report-Detail Domestic Store Operations										
Account Description	Current Month				Favorable (Unfavorable) Variance	Year to Date				Favorable (Unfavorable) Variance
	Actual	%	Budget	%		Actual	%	Budget	%	
File/Cash Repair						83				83
Store Supplies-Distribution	192	.3	540	.5	148	840	.2	1,040	.6	1,000
Store Driver Disbursements	16				(16)	420	.1			420
Store Supplies-Local Purchase	122	.2	94	.2	(27)	332	.1	492	.2	140
Cash Over/Short	(2)		14		16	(2)		74		76
Store Marketing Expense										
Advertising Allocation	2,405	4.0	2,516	4.0	111	14,249	4.0	13,118	4.0	1,131
Telephone-Base Rate & Other	260	.4	211	.3	(49)	1,330	.4	1,159	.4	171
Telephone-Long Distance	19		26		7	86		121		35
Regular Mail	200	.3	157	.2	(43)	400	.1	707	.2	307
Express Mail/Overnight Del.	70	.1	65	.1	(5)	260	.1	315	.1	55
Travel										
Business Meals & Entertainment										
Personal Automobile Mileage										
Bad Debt Expense-Write offs	1,646	2.7	1,310	2.1	(336)	9,476	2.7	7,748	2.4	(1,727)
Collection Costs			165	.3	165			576	.2	576
Bad Debt Recovery										
Processing Fees	(395)	(.7)	(432)	(.7)	(37)	(2,465)	(.7)	(2,352)	(.7)	113
Bank Charges	129	.2	137	.2	7	506	.1	684	.2	178
Credit Card Fees	154	.3	107	.2	(47)	1,054	.3	358	.2	(696)
Check Fees								11		11
Equipment Lease						160		71		89
Dues & Subscriptions	12		16		4	76		80		4
Total Other Controllable Costs	7,446	12.4	6,915	11.0	(531)	36,879	10.4	36,448	11.1	(432)
Total Controllable Costs	17,240	28.7	16,535	26.3	(705)	90,912	25.5	87,176	26.6	(3,736)
Non-Controllable Costs:										
Rent	11,130	18.5	11,147	17.7	17	55,650	15.6	55,735	17.8	85
Common Area Maintenance										
Merchants' Association										
Personal Property Taxes	583	1.0	583	.9		2,917	.8	2,917	.9	
Real Property Tax	283	.5	283	.5		1,417	.4	1,417	.4	
Closed Site Retirements										
Retrofit Retirements			1,758	2.8	1,758			1,758	.5	1,758
Property Insurance	50	.1	50	.1		250	.1	250	.1	
Taxes, Permits & Fees										
Liability Insurance	116	.2	116	.2		580	.2	580	.2	
Store Depreciation	2,994	5.0	2,924	4.6	(70)	14,941	4.2	14,419	4.4	(522)
Total Non-Controllable Costs	15,157	25.2	16,861	26.8	1,705	75,804	21.3	77,075	23.5	1,271
OPERATING MARGIN-(Cont to Q/H)	5,559	9.2	7,815	12.4	(2,256)	75,379	21.2	54,803	16.7	20,576
Zone Overhead										
ZONE OPERATING MARGIN	5,559	9.2	7,815	12.4	(2,256)	75,379	21.2	54,803	16.7	20,576

Figure 14: SPR — Operating Costs and Expenses Line and Area

A store's *operating margin* is its gross margin minus its operating costs and expenses. This is also known as the store's *bottom line* and is highlighted in Figure 15 below.

Non-Controllable Costs:										
Rent	11,130	18.5	11,147	17.7	17	55,650	15.6	55,735	17.8	85
Common Area Maintenance										
Merchants' Association										
Personal Property Taxes	583	1.0	583	.9		2,917	.8	2,917	.9	
Real Property Tax	283	.5	283	.5		1,417	.4	1,417	.4	
Closed Site Retirements										
Retrofit Retirements			1,758	2.8	1,758			1,758	.5	1,758
Property Insurance	50	.1	50	.1		250	.1	250	.1	
Taxes, Permits & Fees										
Liability Insurance	116	.2	116	.2		580	.2	580	.2	
Store Depreciation	2,994	5.0	2,924	4.6	(70)	14,941	4.2	14,419	4.4	(522)
Total Non-Controllable Costs	15,157	25.2	16,861	26.8	1,705	75,804	21.3	77,075	23.5	1,271
OPERATING MARGIN-(Cont to Q/H)	5,559	9.2	7,815	12.4	(2,256)	75,379	21.2	54,803	16.7	20,576
Zone Overhead										
ZONE OPERATING MARGIN	5,559	9.2	7,815	12.4	(2,256)	75,379	21.2	54,803	16.7	20,576

Figure 15: SPR — Store Operating Margin Line

General Ledger Detail Report

NOTES

The *General Ledger Detail Report* shows details of vendor invoices, Corporate Accounting transactions, and summary totals of payroll and store system transactions. An example is shown in Figure 22 below:

BLOCKBUSTER ENTERTAINMENT CORP SPR G/L Detail Report									
Description	Amount	Account Descrip Explanation	Do Ty	Document	G/L Date	Co	G/L Account		
GROSS RENTAL NON-PRINT LINE	40,768-	Film Rentals	SA	280518	05/24/92 025		.4020-		
	2,040-	Cass Rentals	SA	280518	05/24/92 025		.4025-		
	10,506-	Extended Viewing F	SA	280518	05/24/92 025		.4040-		
	848-	Equipment Rentals	SA	280518	05/24/92 025		.4060-		
RENTAL CREDITS NON-PRINT LINE	54,242-								
	146	Defective Tape-Ban	SA	280518	05/24/92 025		.4141-		
	35	Wrong Film in Box-	SA	280518	05/24/92 025		.4142-		
							.4143-		

BLOCKBUSTER ENTERTAINMENT CORP SPR G/L Detail Report									
Description	Amount	Account Descrip Explanation	Do Ty	Document	G/L Date	Co	G/L Account	P LT C	
Net Rental Revenue	53,065								
Product Sales:									
New Films	3,930	Retail New Films	SA	280518	05/24/92 025		.4460-	AA P	
New Films - Special Order	220	Retail Spec. Order	SA	280518	05/24/92 025		.4465-	AA P	
New Equipment	71	Retail New Equipment	SA	280518	05/24/92 025		.4468-	AA P	

BLOCKBUSTER ENTERTAINMENT CORP SPR G/L Detail Report									
Description	Amount	Account Descrip Explanation	Do Ty	Document	G/L Date	Co	G/L Account	P LT C	
COST OF SALES:									
Cost of Rentals:									
Rental Library Amortizati	10	INVENTORY ACCOUNTS	IA	49231	05/24/92 025		.9250-	AA P	
	816	INVENTORY ACCOUNTS	IA	49231	05/24/92 025		.9250-	AA P	
	26	INVENTORY ACCOUNTS	IA	49231	05/24/92 025		.9250-	AA P	
	122	INVENTORY ACCOUNTS	IA	49231	05/24/92 025		.9250-	AA P	
	15,963	INVENTORY ACCOUNTS	IA	49231	05/24/92 025		.9250-	AA P	
Shrink-Non-Returned Films	16,937								
	521	INVENTORY ACCOUNTS	IA	4589D	05/24/92 025		.7782.1385	AA P	

Figure 22: General Ledger Detail Report

Since the *G/L Detail Report* shows detailed information about the totals and summaries on the *Store Profitability Report*, the two reports go hand-in-hand.

Using Financial Results

Store, district, region, and zone management should review the *Store Profitability Report (SPR)* on a monthly basis. The goal of this review is to evaluate each store's financial performance by comparing actual results with the corresponding budget for the current month and the year to date. Significant variances are researched and analyzed. This produces *budget comparisons*, BLOCKBUSTER's primary tool for measuring how close a store comes to meeting its financial goals.

Analyzing Financial Data

As a Store Manager, you have three key sources of information for conducting financial analysis. These sources are:

- ☐ *The General Ledger (G/L) Detail Report*
- ☐ *The Payroll Journal Report*
- ☐ *A/R Summary Report*

If necessary, a store manager can further trace transactions to their underlying source documentation such as vendor invoices, payroll time reports, etc. This process is an example of following an audit trail and can provide extremely detailed information.

The General Ledger Detail Report

The *General Ledger Detail Report* lists all of the accounting transactions associated with a cost center. Store managers can use it while researching their financial status. For example: If a store's *Store Profitability Report* lists travel costs charged to their cost center, the manager can refer to the *G/L Detail Report* and see the actual invoice for those costs.

NOTES

[illegible]

Use the *Payroll Journal Report* when tracking salary, payroll, and overtime discrepancies. When following an audit trail relating to payroll time reports, consult your store system for raw payroll information.

Account Receivable Summary Report

The bad news is every store has bad debt which is one of the major expenses your store incurs on a monthly basis. The good news is you can effectively manage your bad debt. The primary tool you will use to evaluate your area(s) of bad debt to target and to measure your performance is the *A/R Summary Report*. You learned how to generate this report in the CRC module, now let's take a detailed look at each line and what it means. See Figure 24 for an illustration of the report. A description of each line item follows.

99999 OPNS ARSUMM	BLOCKBUSTER VIDEO 10540 MILLER ROAD ACCOUNTS RECEIVABLE SUMMARY TRAILING 6 WEEKS					PAGE 1 30-MAR-1993 04:50:01
	WEEK ENDING 03/29/93	WEEK ENDING 03/22/93	WEEK ENDING 03/15/93	WEEK ENDING 03/08/93	WEEK ENDING 03/01/93	WEEK ENDING 02/25/93
BEGINNING BALANCEⓈ	4708.40	4752.29	4879.00	4974.11	5056.84	5138.49
ADD:						
NSF CHECK/CHARGEⓈ	34.20	0.00	0.00	0.00	41.24	0.00
EXTENDED VIEWING FEESⓈ	3132.00	66.00	1133.00	1624.99	1878.00	1680.00
OTHER INCREASESⓈ	407.69	30.90	178.04	306.76	434.17	389.82
LESS:						
CASH COLLECTEDⓈ	80.09	4.72	1013.24	1335.00	1138.71	1167.90
WRITE-OFFSⓈ	3514.64	89.88	135.84	221.43	519.73	93.40
OTHER DECREASESⓈ	223.95	46.19	288.67	470.43	777.70	890.17
A/R ADJUSTMENTⓈ	-50.00	0.00	0.00	0.00	0.00	0.00
ENDING BALANCEⓈ	4513.61	4708.40	4752.29	4879.00	4974.11	5056.84
A/R BALANCE AGING SCHEDULEⓈ						
0 - 30 DAYS	1724.28	2417.50	2672.92	2998.53	3220.63	3045.14
31 - 60 DAYS	1878.80	1356.24	1240.07	1143.77	1149.58	1203.95
61 - 90 DAYS	1076.96	1095.13	999.23	890.75	757.95	965.05
90 + DAYS	-166.43	-160.47	-159.93	-154.05	-154.05	-157.30
ENDING BALANCE	4513.61	4708.40	4752.29	4879.00	4974.11	5056.84
A/R BALANCE VALUEⓈⓈ						
\$ 0.01 - 3.99	633.47	653.00	655.72	624.76	673.27	673.30
\$ 4.00 - 11.99	1833.27	1903.69	1923.19	2001.16	2040.45	1991.71
\$ 12.00 - 24.99	924.23	909.62	864.17	834.95	809.55	869.07
\$ 25.00 & OVER	1519.98	1569.51	1629.05	1734.73	1736.88	1819.07
PREPAID	-397.34	-327.42	-319.84	-316.60	-286.04	-296.31
TOTAL A/R VALUE	4513.61	4708.40	4752.29	4879.00	4974.11	5056.84
WRITE-OFF VALUEⓈⓈ						
\$.01 - 3.99	15.19	7.59	8.09	26.56	23.87	9.76
\$ 4.00 - 11.99	75.83	28.16	45.48	64.97	60.68	28.15
\$ 12.00 - 24.99	154.76	15.17	25.99	49.81	132.10	33.56
\$ 25.00 & OVER	3318.67	59.54	95.27	101.77	387.57	115.85
RECOVERYⓈⓈ	49.81	20.58	38.99	21.68	84.49	93.92
TOTAL WRITEOFF VALUEⓈⓈ	3514.64	89.88	135.84	221.43	519.73	93.40
KNOWN SHRINK:ⓈⓈ	88.00	0.00	-2.00	-1.00	-4.00	-1.00

Figure 24: A/R Summary report

Line Item Description

NOTES

1. Beginning Balance

This is the net account balance as of the end of the prior day. It is a net figure in the sense that it is the total of the amounts that customers owe us, less the amounts that we owe the customers for credits of one type or another.

2. NSF Check/Charges

This is the total A/R increase for the day due to NSF checks and NSF fees for the day.

3. Extended Viewing Fees

This is the total A/R increase for the day due to Extended Viewing Fees charged to an account. These amounts are immediately recognized as revenue, even though they may not have been collected. Any Extended Viewing Fees collected, those assessed on prior days or assessed today, are reflected in the cash collected line as a decrease in A/R.

4. Other Increases

This is all increases to A/R with the exception of NSF Checks/Charges and Extended Viewing Fees. This will normally be negative credits (used to put an amount on the customer's account), and Restore bad debt amounts (an amount previously written off to bad debt, that was restored to the customer's account when they returned to the store to restore their account to good standing).

5. Cash Collected

This is the total decrease to A/R due to the customer paying the amount due. In the case where an amount is assessed to a customer's account (i.e. Extended Viewing Fees), and the amount is collected the same day, the amount is included as an A/R increase above, and the amount is included in the Cash Collected as an A/R decrease.

6. Write--Offs

This is the total amount written off to bad debt for the day.

7. Other Decreases

This is the total of A/R decreases due to any other account credit other than bad debt write-off.

8. A/R Adjustment

The amount in this line is an automatically generated correction caused by a discrepancy between the Account Balance totals in the Customer File, and the ending Account Balance as computed from the beginning balance, and the net changes to the Account Balance. This correction adjusts the Computed Account Balance back to the actual account balance in the customer file. The account balance in the customer file is always used as the real account balance because it is supported by the detail customer accounts.

9. Ending Balance

This is the actual ending A/R balance for the day. This amount is equal to the beginning balance, plus all sources of A/R increases, less all sources of A/R decreases.

10. A/R Balance Aging Schedule

This section shows the net amounts receivable for the number of days indicated. The amount is net in the sense that it is the total amount due us, less the total amount due the customers. It is used to judge the true value of the total A/R in terms of the probability of collecting the amount -- assuming the probability of collecting an amount decreases over time.

Since bad debt is normally automatically written off at 90 days, the amount in the 90+ section will normally be negative. This is because the only amounts left on the customer's account after 90 days is the amounts owed the customer. These amounts are recorded as negative A/R or accounts payable.

11. A/R Balance Value

This section breaks out A/R by the total amount owed in which the amount owed per customer is .01-3.99, 4.00-11.99, etc. Thus, an amount of \$633 for .01-3.99 indicates the total A/R in which each customer owes in that dollar range.

12. Write - Off Value

This section is similar to the A/R balance value, but shows the total A/R written off in which the amount due per customer was .01-3.99.

13. Recovery

This is the total amount of bad debt write-off that was recovered. This indicates that the amount was written off to bad debt. Subsequently, the customer returned to the store, and the amount written off was restored to the customer's account. After the amount is restored, the customer may or may not pay. If the customer does not pay, the amount remains in bad debt recovery, and the amount will be written off again the next night.

14. Total Write-Off Value

This is the total amount of bad debt write-off.

15. Known Shrink

This is a count of the rental items that were automatically checked in after being 15 days late. These items are automatically checked in and the Extended Viewing Fees are assessed and written off to bad debt. The rental item is shrunk from inventory and counted as a Known Shrink item. If a known shrink item is subsequently checked in via POS, it is automatically returned to inventory, and the known shrink count is reduced by 1.

Improving Your Store's Financial Results

The primary purpose of maintaining and analyzing financial records is to identify areas where your store's profitability can be improved. As a store manager, just knowing your store's bottom line is not enough; you must also understand how you arrived at your bottom line and what you can do to change that figure.

The chief tool in looking for bottom line improvement is the *Store Profitability Report (SPR)*. When you analyze the *Store Profitability Report* looking for opportunities for profit improvement, focus on the following key items:

- Revenue — Increasing revenue is the fastest and most effective way of bolstering your store's bottom line. Many factors can influence revenue, including:
 - Customer service — Are store personnel courteous, helpful, and committed to customer satisfaction? There is no report for customer service. Only you can see when it is below par, and only you can raise it.
 - Products — Are the right products available in the correct quantities? Are products merchandised and arranged neatly? Are they advertised and priced properly?
 - Membership — Are all store personnel following established sign-up procedures? Is our store staff aggressively working to sign up new members and to retain existing members?
- Shrinkage — Controlling loss of inventory is critical to profitability. As a store manager, you should regularly ask yourself:
 - Is my store staff following proper receiving procedures?
 - Is my store staff thoroughly following physical inventory procedures?
 - Are my store's physical security measures functioning properly?
- Costs and Expenses — Store managers should mainly focus on controllable costs. Among the controllable costs, keep an eye on:
 - Compensation — Are work hours properly matched with revenue volumes throughout the day? Is overtime minimized or under control? Are pay rates equitable and consistent?
 - Bad debts — Is store staff performing proper account maintenance?
 - Supply costs — Are supplies kept in only necessary and proper quantities?

Activity

NOTES

1. Review your store's SPR with your Store Manager. Discuss the following:
 - Unknown shrink
 - Known Shrink
 - Retail shrink
 - Revenue
 - Net income
 - Gross margin
2. Review your store's A/R Summary Report with your Store Manager. Discuss the following:
 - Bad debt
 - A/R balance value

Achievement 4 Certification

To complete this Achievement, attend two District Monthly Operating Reviews (MORs) with your store manager.

Date of first MOR attended _____

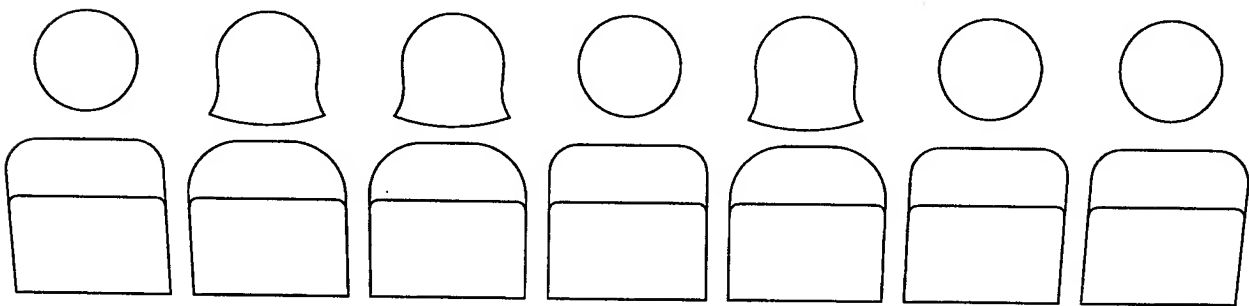
Date of second MOR attended _____

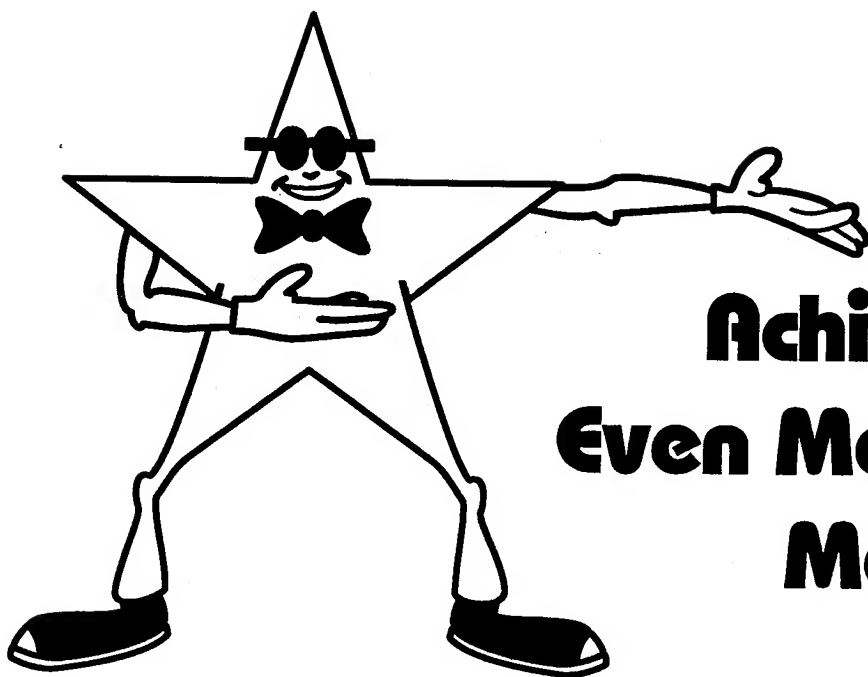
Store Manager Signature: _____

Date: _____

Movie Trivia

4. What was the all *K* headline in *Miracle on 34th Street*?





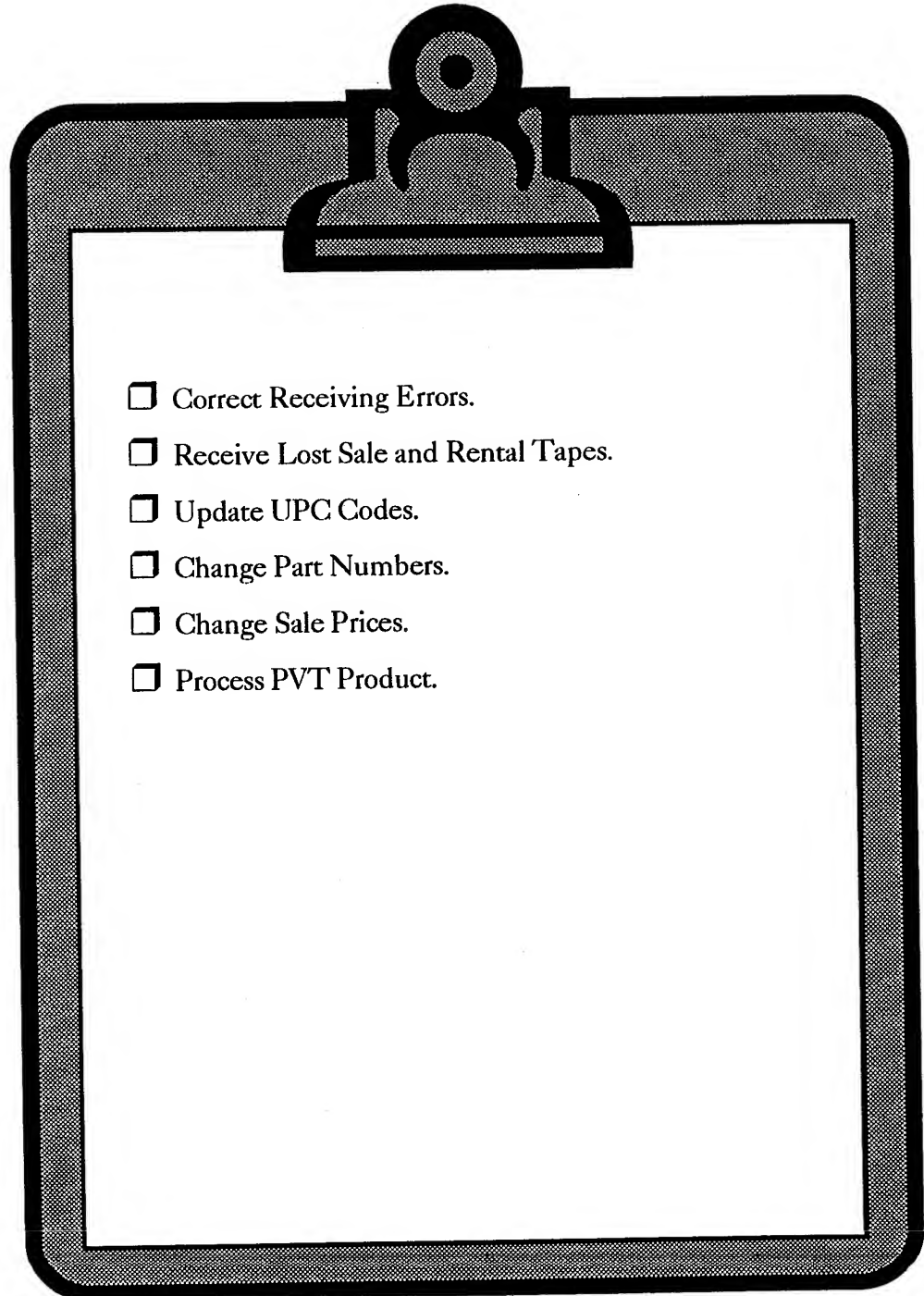
Achievement 5: Even More Product Management

Overview

All actors typically begin their careers with small roles in commercials, movies, and theatrical productions. As their careers develop they receive more lines, better, bigger roles and often need more training on how to master their profession. As a BLOCKBUSTER Store Manager you too need additional training in certain areas to become a more effective and successful manager. One of those areas is product. This Achievement addresses commands and procedures for receiving, changing product information, and product transfers that you have not learned in the previous Achievements that address product management.

Learning Objectives

This Achievement contains all of the information you will need as a SM to manage product. When you have mastered the skills necessary to be proficient in this Achievement area, you will be able to:



A large, stylized clipboard graphic with a thick black border and a silver-colored clip at the top. Inside the clipboard is a white rectangular area containing a checklist of six items, each preceded by a small square checkbox.

- ☐ Correct Receiving Errors.
- ☐ Receive Lost Sale and Rental Tapes.
- ☐ Update UPC Codes.
- ☐ Change Part Numbers.
- ☐ Change Sale Prices.
- ☐ Process PVT Product.

Receiving

The three areas of receiving that you will use as a Store Manager that are going to be addressed in this section are:

- Correcting Receiving Errors
- Receiving Lost Rental and Sale Product
- Updating UPC Codes

Correcting Receiving Errors

When you audit your receiving paperwork you may find an error that you will need to correct. Failure to correct receiving errors will cause your inventory to be inaccurate which will result in inventory shrink. To correct receiving errors after posting do the following from the Correct Receive Error Option in the *Inventory Transfer Menu*:

1. Enter the PO number, then press <RETURN>.
2. Enter valid shipping invoice number, then press <RETURN>.
3. Enter item number to correct, then press <RETURN>.
4. Select *one* of the following at the prompt **Are you sure you want to correct this receiving Y or N?**
 - a. Type <Y> to correct
 - b. Type <N> to quit
5. Type **DEL** to delete the sequence number or **QTY** to change the quantity, then press <RETURN>.
6. Perform *one* of the following
 - a. Type <Y> to correct another error
 - b. Type <N> to quit.
7. Type <Y> to print the corrected report, then type <N> to return to the *Inventory Transfer Menu*.

Receiving Lost Rental and Sale Product

Rental and sale merchandise is occasionally found after Physical Inventory has been completed. When processing a transaction, the system checks the part number against the lost copy file from the last inventory. If the items do not match, an error message is displayed on the screen. To add items back into inventory complete the following from the Inventory Receive Menu.

Rental Product

1. Select Option <D> - Receive Lost Rental Tape.
2. Scan the barcode.
3. When all data is entered, press <PF1> to post.

Sale Product

1. Select Option <E> - Receive Lost Sale Tape.
2. Enter the 5 digit part number and press return.
3. Enter the product type: N = New / P = PVT and press <RETURN> or scan the barcode.
4. When all data is entered press <PF1> to post.
5. Print inserts if necessary.

Updating UPC Codes

Whenever you need to change a UPC code follow the procedures below:

1. Select Option <C> - Maintain UPC File from the *Inventory Support Menu*.
2. After scanning the UPC code, one of the following prompts will appear: UPC not found, add it?(Y/N) or UPC found, update?(Y/N).

3. Enter the part number corresponding to the UPC or press one of the following <PF> keys:
 - a. <PF1> to exit
 - b. <PF2> for no change
 - c. <PF3> to change
 - d. <PF4> to delete



UPC's can also be updated when receiving products into inventory. This is a great way to ensure that your store's UPC file is as up to date as possible.

Changing Product Information

Once product arrives in your store, your only responsibility usually is to ensure that employees are properly checking it in and out to the customers. On occasion, however, you may be asked to make the following changes to the product:

- Part #s
- Prices
- Processing into PVT

Changing Part Numbers

Whenever you are instructed to change part numbers you will need to complete the following from the *Inventory Transfer Menu*:

1. Select Option <G> - Change Part Number.
2. Enter the original part number, then press <RETURN>.
3. Enter the new part number, then press <RETURN>.
4. Type <Y> at the prompt **Is this correct?** to change and print the *Change Part Number Report* or type <N> to cancel.
5. Print inserts if necessary.

Changing Prices

The only prices you will change is on sale product. When you are instructed to change prices, perform the following from the *Inventory Support Menu*:

1. Select Option <A> - Maintain Film Overrides.
2. Select Option <A> - New Sale Price or Option <C> - PVT Price.
3. Select <PF3> - Modify Price by Part Number.
4. Select Option <N> - All Overrides Are Not Going To Be The Same.
5. Enter the new retail price.
6. Enter the part number to be changed.
7. Repeat for other price changes; press <PF1> when completed.

Processing PVT

You learned in the AM module how to transfer product to PVT. When you receive the approval list of PVT titles from the Corporate office or your ZIM, follow these steps to pull rental film from your shelves, and prepare it for sale:

1. Review the pull-down list.
2. Identify titles and the quantities to pull.
3. Remove the titles and their coverboxes from the sales floor.
4. Verify the correct movies are in the correct storage cases.
5. Remove the inserts from the sleeves on the plastic storage cases.
6. Transfer the product to PVT.
7. Place the movie in the coverbox, then shrink-wrap the coverbox.
8. Create PVT sale labels and place them over the UPC code on the coverbox; this prevents the accidental scanning of the wrong code when the movie is purchased.
9. Place a PVT price sticker on the lower right-hand corner of the coverbox (do not obstruct the coverbox art or title).
10. Merchandise PVT product in the appropriate sales bin as directed by the *Manager's Guide*.

Achievement 5 Certification

NOTES

This is a skill based Achievement. To illustrate proficiency in this Achievement, complete the following with 100 % accuracy:

1. Demonstrate the following to your Store Manager:
 - a. Change part numbers on 5 films.
 - b. Change the price of 5 PVT films.
 - c. Correct 1 receiving error.
 - d. Update UPC codes on 1 sell thru shipment.

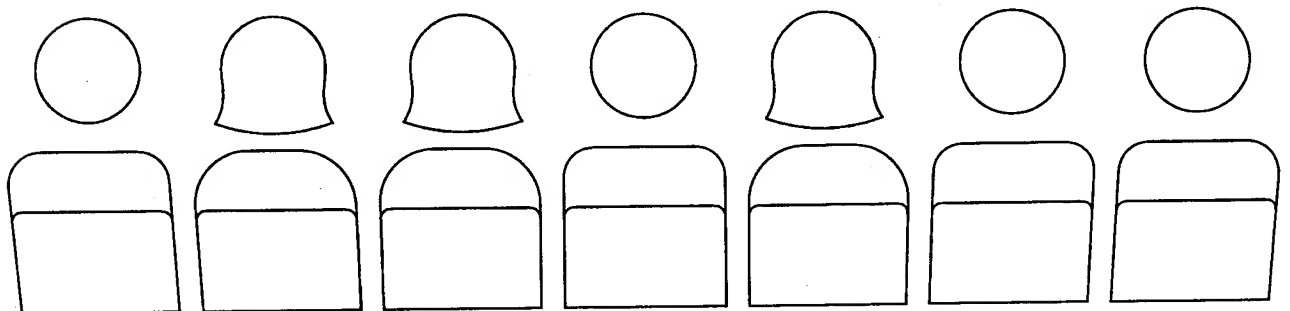
2. Process 1 PVT pull for your store and review it with your Store Manager.

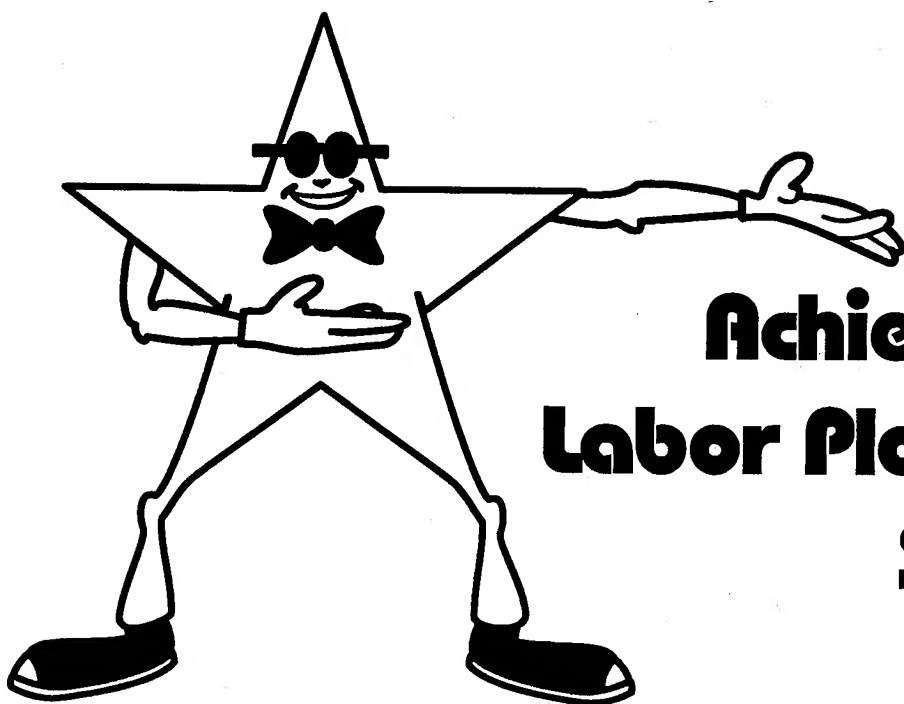
Store Manager Signature: _____

Date: _____

Movie Trivia

5. Who said "The problems of the world are not my department. I'm a saloon keeper."?





Achievement 6: Labor Planning and Scheduling

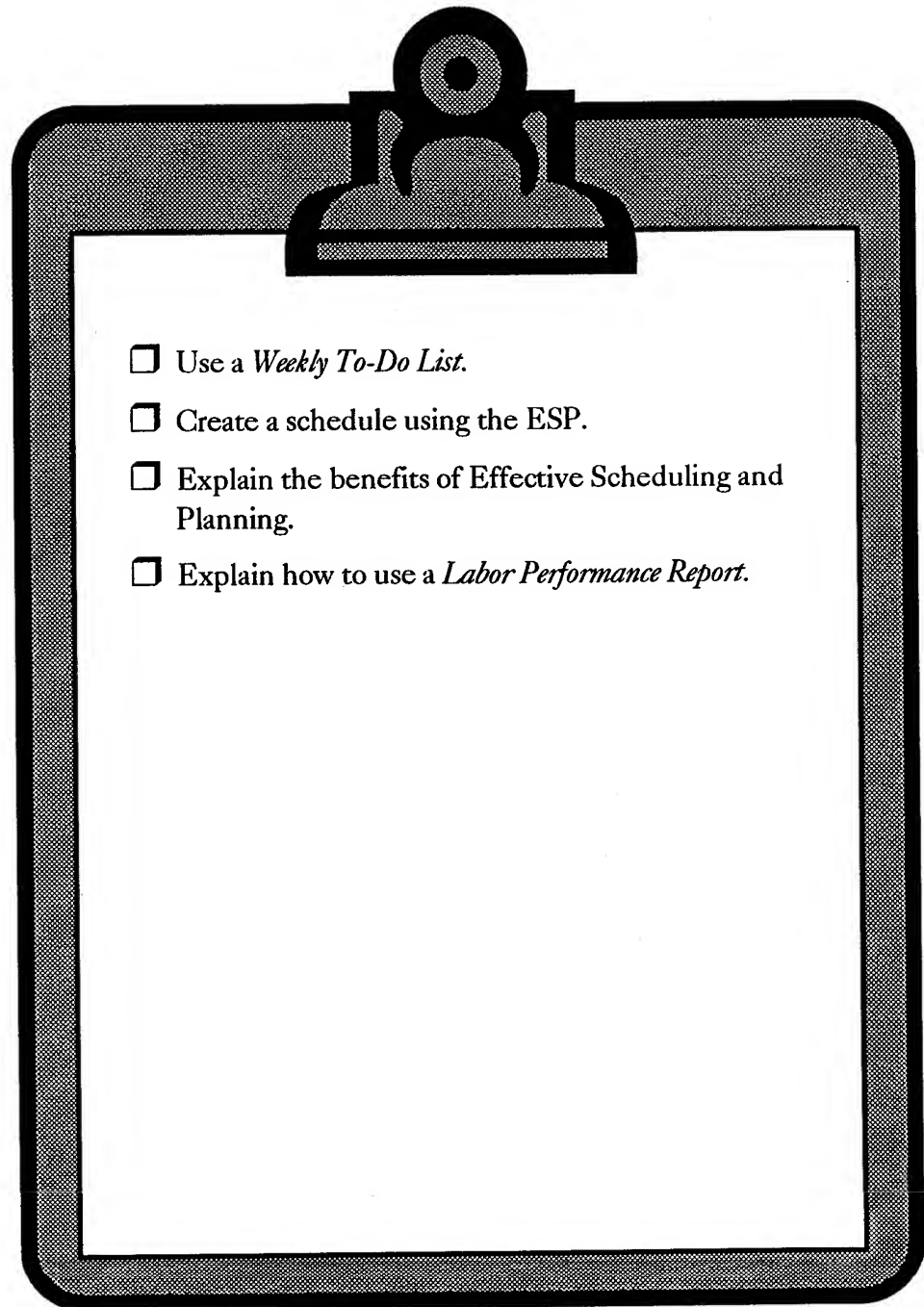
Overview

In the golden age of Hollywood, studios assigned their stars to films based on the star's image, the film's genre, and a little bit of guesswork. Judy Garland played the inguene in musical comedies, while Clark Gable appeared as the handsome leading man in dramas.

BLOCKBUSTER stores, on the other hand, use a sophisticated computer program called *Effective Scheduling and Planning* (ESP) to accurately manage store labor and payroll costs. This Achievement describes the ESP program, ESP Master File Maintenance, and the process of scheduling and planning labor.

Learning Objectives

This Achievement contains all of the information you will need to schedule employees using BLOCKBUSTER's Effective Scheduling and Planning Program. When you have mastered the skills necessary to be proficient in this Achievement area, you will be able to:



A large, stylized clipboard graphic with a thick black border and a silver-colored clip at the top. Inside the clipboard is a white rectangular area containing a checklist with four items, each preceded by a small square checkbox.

- ☐ Use a *Weekly To-Do List*.
- ☐ Create a schedule using the ESP.
- ☐ Explain the benefits of Effective Scheduling and Planning.
- ☐ Explain how to use a *Labor Performance Report*.

ESP provides the store with special “tools” (for example, the *Store Availability Report*, *Next Week’s Model Schedule*, and *Next Week’s Performance Report*) which make the process of managing labor more efficient. These tools are produced by the store system using data entered and calculated at the store, as well as information downloaded from the ESP Zone Application. The ESP Zone Application is a spreadsheet program which calculates the amount of labor needed on a weekly, daily, and hourly basis. To make its calculations, the program uses:

- Store historical data
- Store profile data
- Total Net Revenue (TNR) projections
- Labor standards

The data used is unique by store for each period of the year.



More information about the *ESP Zone Application* is available in the *ESP Participant’s Guide*. The *ESP Participant’s Guide* also contains an In-Store Training Section to assist you with computer procedures as you use ESP.

Using labor projections from the *ESP Zone Application*, the store system can produce the:

- *Employee Contact List*
- *Employee Availability Sheet*
- *Employee Detail Information Sheet*
- *Store Availability Report*
- *Store Schedule Report*
- *Store Performance Report*

ESP Master File Maintenance

The ESP Employee Master File contains most of the information necessary to effectively schedule employees for work. The information contained in this file, however, will need to be updated from time to time, as employees are added or terminated, or their availability changes. It is extremely important that the ESP Employee Master File remains current; availability reports produced with outdated information are not effective for scheduling labor.

Updating Employee Information

Employee information in the Employee Master File will need to be updated on a periodic basis for a variety of reasons. Each person who is hired to work in a BLOCKBUSTER store must be entered into the ESP Employee Master File after they have been added to the Customer Master and Employee Master Files. From time to time, certain factors (e.g., change of status, different school schedules, etc.) will affect employee availability as well. When a person leaves BLOCKBUSTER's employment (either voluntarily or involuntarily), they must also be deleted from the ESP Employee Master File.



If the employee information is not kept current, the availability of labor hours will be distorted.

Activity

NOTES

Part I

Discuss the ESP program with your Store Manager. Observe them use it to schedule employees so that you gain an understanding of its effect on the operation of the store.

Part II

1. What does ESP use to make its calculations?

- a. _____
- b. _____
- c. _____
- d. _____

2. What is the ESP Zone Application?

3. What can the store system produce using labor projections from the ESP Zone Application?

4. Name three reasons why the Employee Master File would need to be updated:

- a. _____
- b. _____
- c. _____

Activity Answers

1. What does ESP use to make its calculations?
 - a. Store historical data
 - b. Store profile data
 - c. Total Net Revenue (TNR) projections
 - d. Labor standards

2. What is the ESP Zone Application?

The ESP Zone Application is a spreadsheet program which calculates the amount of labor needed on a weekly, daily, and hourly basis.

3. What can the store system produce using labor projections from the ESP Zone Application?
 - a. Employee Contact List
 - b. Employee Availability Sheet
 - c. Employee Detail Information Sheet
 - d. Store Availability Report
 - e. Store Schedule Report
 - f. Store Performance Report

4. Name three reasons why the Employee Master File would need to be updated:
 - a. New employees
 - b. Employee information has changed
 - c. Terminated employees

Scheduling Labor

A new schedule must be created each week for the coming week. The steps to create a schedule are:

- Print the *Store Availability Report*
- Select Next Week's Model Schedule
- Print and Evaluate Next Week's Model Schedule
- Adjust the Model Schedule to form an Actual Schedule
- Print Next Week's Actual Schedule
- Post the schedule for employee review

Selecting the Schedule

To select a Model Schedule, perform the following:

1. Print a copy of the *Store Availability Report* to help determine which can be used for schedule changes.



Ensure that all availability updates have been performed prior to printing the *Store Availability Report*. This will provide the most recent availability information to use in the schedule creation process.

2. Select a previous week's schedule to use as a model. The system archives the 10 previous week's schedules in memory.
3. After selecting the Model Schedule, *print the schedule* for review.

Evaluate Next Week's Model Schedule

The *ESP Zone Application* creates the projected coverage needed for each week of the year. This coverage guideline is downloaded to the store system each week and contains the desired coverage by day and hour of the day. When you select a model schedule, the system compares this coverage to the model schedule and calculates the variance between the two.

The variance can be seen on the *Store Schedule Report* (as shown below in Figure 25). The SCORE for each day, which is also shown on *Next Week's Schedule Report*, represents the ratio of the projected (desired) CSR coverage to the absolute value of the variances by hour.

The closer the SCORE is to 100%, the closer the store's actual CSR schedule matches the projected CSR coverage. Achieving 100% coverage is unlikely, since it is difficult to schedule people for 1 or 2 hour increments. The coverage score standard that BLOCKBUSTER has established for its stores is 85% or better.

MONDAY - 02/15/93

TITLE	EMP	REPORT	---	SHIFT	---	REPORT	SCHEDULED HALF HOUR PERIODS
CODE	NUM	NAME	START	END	DAILY	WEEK	08 09 10 11 12 01 02 03 04 05 06 07 08 09 10 11 12 01 02 03 04 05 06 07
MGR	00001	HARRY H.	08:00 -	18:00	10:00	46:00	S E
MGRA	00003	EMMA P.	17:00 -	01:00	08:00	36:00	S E
MGRA	00019	DEAN J.	00:00 -	00:00	00:00	40:00	
		MGR SCHEDULED HOURS:			18:00	122:00	11 11 11 11 11 11 11 11 22 11 11 11 11 11 11 00 00 00 00 00 00 00
		MGR PROJECTED HOURS:			18:00	126:00	
		VARIANCE:			00:00		
CSR	00004	KATHY H.	09:30 -	17:00	07:30	34:30	S E
CSR	00008	LORI B.	15:00 -	23:00	08:00	19:00	S E
CSR	00006	NANCY C.	16:30 -	00:30	08:00	33:00	S E
CSR	00005	SHERI F.	00:00 -	00:00	00:00	11:30	
CSR	00007	CINDY H.	00:00 -	00:00	00:00	10:00	
CSR	00009	JEFF S	00:00 -	00:00	00:00	14:30	
CSRT	00010	DAVID B.	00:00 -	00:00	00:00	00:00	
CSR	00011	STACY L.	00:00 -	00:00	00:00	04:00	
CSR	00012	SOLANGE P.	00:00 -	00:00	00:00	00:00	
CSR	00013	CHRIS E.	00:00 -	00:00	00:00	04:00	
CSR	00014	MIKE A.	00:00 -	00:00	00:00	00:00	
CSRL	00015	CHRISTINA C.	00:00 -	00:00	00:00	19:00	
CSR	00017	TAMMY B.	00:00 -	00:00	00:00	12:30	
CSR	00018	ANGEL A.	00:00 -	00:00	00:00	00:00	
CSR	00020	MIKE B.	00:00 -	00:00	00:00	10:00	
CSR	00021	MARTINA	00:00 -	00:00	00:00	00:00	
		CSR SCHEDULED HOURS:			23:30	172:00	00 01 11 11 11 11 11 22 23 22 22 22 22 22 11 10 00 00 00 00 00 00 00
		CSR PROJECTED HOURS:			25:24	220:54	0 0 1 1 1 1 1 2 2 2 2 2 2 2 2 1 0 0 0 0 0 0 0
		VARIANCE:			01:54-		0 0 0 0 0 0 0 0 0 0 0 0 0 0 1-0 0 0 0 0 0 0 0
		COVERAGE SCORE:			95%		
		DAILY TOTAL:			41:30	294:00	
		PROJECTED TOTAL:			43:24	346:54	
		VARIANCE:			01:54-		

Figure 24: Next Week's Store Schedule Report



Remember to schedule your staff for special project hours (non-standard hours on your *Next Week's Performance Report*). ESP only provides projections by hours for CSRs. Replacing Manager hours with CSR hours will distort your coverage score. Though your coverage score will be lower (making it appear as if you have too much CSR coverage at certain periods of the day), your daily total will satisfy requirements.

Adjust Model Schedule to Form Actual Schedule

Now that you've selected a Model Schedule and have evaluated it for changes, the system needs to be updated. Determine the changes you want to make based on desired coverage and *Next Week's Labor Performance Report*, then modify the schedule you have chosen into an actual schedule.

You can achieve your scheduling objective -- getting actual coverage to equal projected coverage -- by evaluating your daily SCOREs and hourly variances.

The daily SCORE is like a grade on a report card. First, evaluate the grade to see if it is acceptable (greater than 85%). If it is not acceptable, then determine why. Look for hourly variances and try to minimize them by adjusting the model schedule.

Activity

NOTES

Part I

Assist your Store Manager for three weeks in scheduling employees. Assist in the process as much as possible so that you have a good understanding of the program.

Part II

1. The steps to create a schedule are:

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

2. Fill in the blanks:

The *ESP Zone Application* creates the _____.

This coverage guideline is downloaded _____

and contains the desired coverage by day and hour of the day. When you select a _____, the system compares the

desired coverage to the model schedule and calculates the variance between the two. The variance can be seen on

_____. The SCORE for each day, which is also shown on *Next Week's Schedule Report*, _____

to the absolute value of the variances by hour. The closer the SCORE is to 100%, _____ the

projected CSR coverage. Achieving 100% coverage is unlikely, since it is difficult to schedule people for 1 or 2 hour increments. The

coverage score standard that BLOCKBUSTER has established for its stores is _____.

Activity Answers

1. The steps to create a schedule are:
 - a. Print the *Store Availability Report*
 - b. Select Next Week's Model Schedule
 - c. Print and Evaluate Next Week's Model Schedule
 - d. Adjust the Model Schedule to form an Actual Schedule
 - e. Print Next Week's Actual Schedule
 - f. Post the schedule for employee review

2. Fill in the blanks:

The *ESP Zone Application* creates the projected coverage needed for each week of the year. This coverage guideline is downloaded to the store system each week and contains the desired coverage by day and hour of the day. When you select a model schedule, the system compares the desired coverage to the model schedule and calculates the variance between the two. The variance can be seen on the *Store Schedule Report*. The SCORE for each day, which is also shown on *Next Week's Schedule Report*, represents the ratio of the projected (desired) CSR coverage to the absolute value of the variances by hour. The closer the SCORE is to 100%, the closer the store's actual CSR schedule matches the projected CSR coverage. Achieving 100% coverage is unlikely, since it is difficult to schedule people for 1 or 2 hour increments. The coverage score standard that BLOCKBUSTER has established for its stores is 85% or better.

Planning Labor

Planning with ESP allows you to manage time more efficiently, provides a logical way to delegate tasks, and enables you to quickly adapt to changes. Labor scheduling should be coordinated with a weekly *To Do List* (as shown below in Figure 26) to ensure that there is sufficient labor to cover demand tasks and adequate time to complete backlogged tasks. Once a schedule is created, a game plan needs to be created to get all the required tasks accomplished. This includes:

- Printing *Next Week's Performance Report*
 - Reviewing projected revenues
 - Reviewing non-standard hours and descriptions
- Determining backlogged tasks

A logical plan will make it easier to react to increased demand and ensure everything gets accomplished on a timely basis.

Weekly To Do List			
Week of _____	Monday	Tuesday	Wednesday
How to Use This Worksheet After you create next week's schedule, use this Weekly To Do List to create a plan for the week's tasks. Before you complete this worksheet, review your projected revenue, and non-standard hours and descriptions (special projects) on Next Week's Labor Performance Report. Then, assign tasks to each day. Monitor daily, and when necessary, move backlogged tasks to another day. Prioritize tasks one day at a time. Backlogged Tasks from Last Week	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____
	☐ Task _____	☐ Task _____	☐ Task _____

Figure 26: "To-Do List"



The weekly *To-Do List*, part number 81013, is available in pads of 50 from the Dallas Distribution Center.

Print Next Week's Performance Report

Next Week's Performance Report should be used to schedule tasks based on projected revenue and special projects (non-standard hours). Once labor is scheduled for the coming week, print *Next Week's Performance Report*. (contact your DM if projections appear out of line with current store levels).



You cannot print *Next Week's Performance Report* until you have created Next Week's Schedule.

Review projected revenues and non-standard hours and descriptions. Based on that information, create a To Do List.

Monitor Labor Usage

NOTES

Use the *Labor Performance Report* to monitor daily labor usage throughout the week; this report provides information on store profit potential and store labor requirements. Each night, the End Of Day (EOD) process in the store system updates the actual information contained in the report. Each morning before opening the store, the MOD must:

- Input the previous day's weather conditions.
- Print and review Current Labor Performance Report.
- Adjust the Current Week's Schedule to reflect actual revenue performance and any availability changes.

These two steps should be done together. The performance report should not be printed without updating the weather.



Refer to *Daily Operations Chapter 1 - MOD Opening Duties* and the *MOD Opening Checklist* for more information.

Review Current Performance Report

The *Current Week's Performance Report* gauges how well you have used your labor hours based on actual revenue and provides a guideline that will help you react to changes and adjust your schedule. Once the *Current Performance Report* is printed, review for:

- Actual revenue performance week-to-date
- Variance to projected revenue week-to-date
- CSR, Manager, and Total Over/Short hours week-to-date
- CSR, Manager, and Total PAR% week-to-date

Decide if any CSR hours should be added or reduced to accomplish all required tasks, based on your revenue and CSR PAR hours.

Interpreting PAR

PAR is a guideline that helps you react to fluctuating conditions by adjusting your labor schedule, ultimately improving the efficiency of your store. You should strive for 100% PAR or your PAR goal (determined by your DM and RDO) on a daily basis, but it is more important to reach 100% PAR (or your PAR goal) on a week-to-week basis.

PAR Hours

PAR hours tell you how many hours you should have used based on the actual revenue for the day. The difference between actual hours and PAR hours is the Over/Short Line on the *Current Performance Report*.



A store schedules 60 hours for the day and projects revenue to be \$1,500. After the close of the shift, the Store Manager finds that 60 hours have been used, but the actual revenue is \$1,700. Based on the actual revenue, the store should have scheduled 65 hours. PAR hours are 65 and the store is 5 hours short.

PAR Percentage

PAR percentage is a quick performance measurement, telling at a glance how well actual hours matched actual revenue. If the store's actual hours equals the hours the store should have used based on actual revenue, PAR would be 100%.

Store System Processes

NOTES

Two processes occur weekly within the store system which affect the ESP scheduling portion. These processes are transparent to the operator, but must be understood.

Schedule File Rollover

When the Sunday EOD occurs, the Schedule File Rollover deletes the oldest Prior Week Schedule File (generation #10), then renames the Current Schedule File as the Prior Schedule File (generation #1). Next Week's Schedule file is then renamed as the Current Schedule File. After this process is complete, the file rollover will add the Current Performance File to the poll-out directory.

Performance File Rollover

When the Monday EOD occurs, the Performance File Rollover deletes the oldest Prior Performance File (generation #10), then renames the Current Performance File as the Prior Performance File (generation #1). Next Week's Performance File is then renamed as the Current Performance File. After this process is complete, the Performance File Rollover applies Monday's activity to the New Performance File.

Start Next Week's Schedule

When you choose this option, the system copies the model you choose to Next Week's Schedule file, loads the projection data, and creates Next Week's Performance Report file. If projections do not exist, you will receive a warning. You can continue to create the schedule without the projections if you wish. However, you must reapply the projections when they are downloaded to your store. To do so, select **Reapply Next Week's Projections** from the *Performance Reporting Menu*. If the projections arrive after the Schedule File rolls over on Sunday night, you must select **Reapply Current Week's Projections**. Notify Computer Support if you do not receive your projections for next week by Thursday morning.

Activity

1. Create a manual schedule for the week and discuss it with your Store Manager. Create the schedule using ESP while your Store Manager observes.
2. With your Store Manager, monitor the *Labor Performance Report* every day for a week. Talk to your Store Manager about why you are over or under or at PAR for any given day.
3. Explain to your Store Manager why it is important to schedule based on customer demands.
4. Fill out the *Weekly To Do List* for a week and discuss it daily with your Store Manager.

Achievement 6 Certification

NOTES

This is a skill-based Achievement. To illustrate proficiency in this Achievement area, perform the following with 100% accuracy:

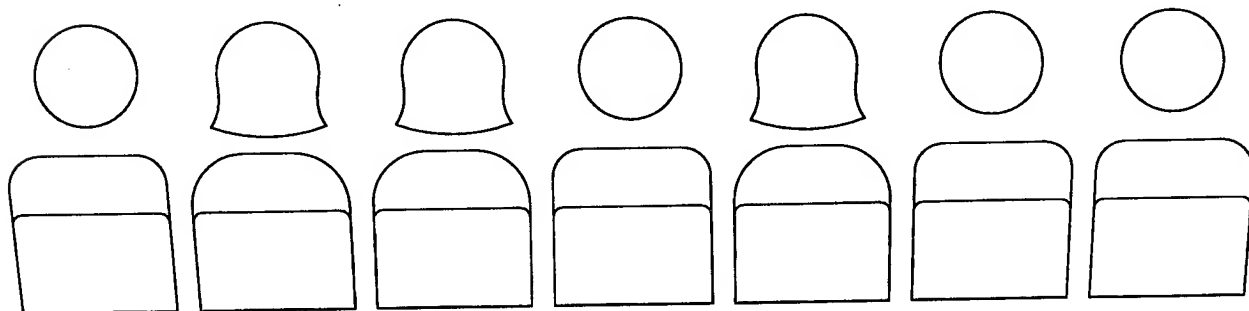
1. Create a schedule using ESP without using a manual schedule. Print the schedule and *Labor Performance Report* and show them to your Store Manager.
2. Create a *Weekly To Do List* for the week you scheduled.
3. Monitor your labor usage by analyzing the *Labor Performance Report* for your Store Manager. Explain any modifications you feel are necessary.
4. At the end of the week, analyze your labor usage and explain the ramifications, if any, on the upcoming week. Talk to your Store Manager about the upcoming week's schedule.
5. Review the *Weekly To Do List* and explain to your Store Manager which tasks were completed and which tasks were backlogged and why.
6. Create a schedule and a *Weekly To Do List* for the upcoming week.

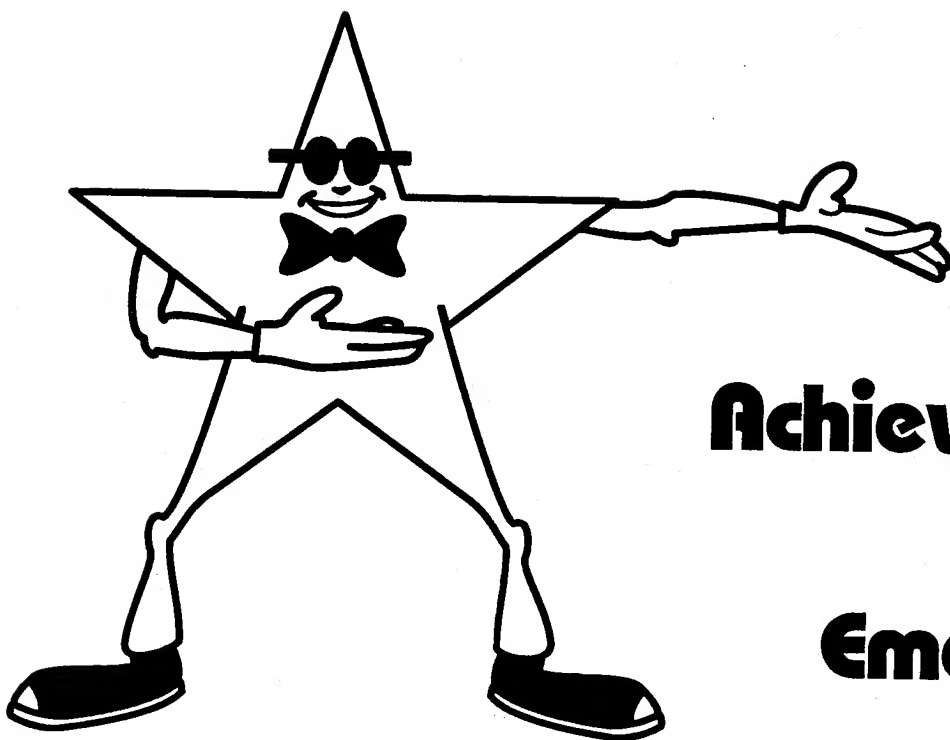
Store Manager Signature: _____

Date: _____

Movie Trivia

6. How old was Judy Garland when she made *The Wizard of Oz*?





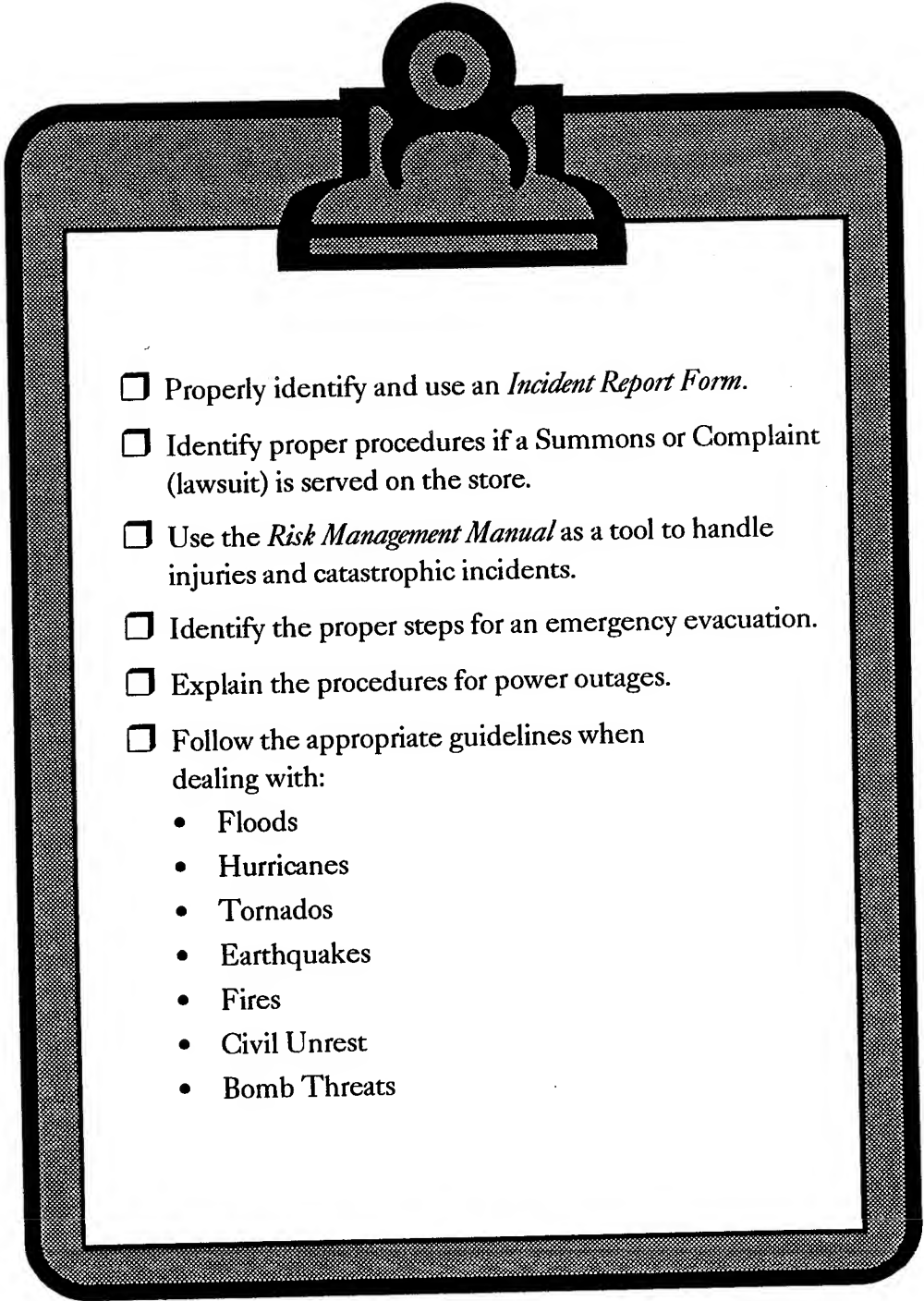
Achievement 7: Handling Emergencies

Overview

Disaster movies are an entertainment force in their own right. From *Airport* to *Towering Inferno*, and all of the others in between, these movies showed people fighting to survive against imminent danger. Though it's far from the norm, you may face an emergency situation in your BLOCKBUSTER store, such as a flood, a fire, or an earthquake. As a SM, it's your responsibility to safeguard your customers, your employees, and the store's assets from danger.

Learning Objectives

This Achievement contains information about safety and security procedures. When you have mastered the skills necessary to be proficient in the Achievement area, you will be able to:

- 
- ☐ Properly identify and use an *Incident Report Form*.
 - ☐ Identify proper procedures if a Summons or Complaint (lawsuit) is served on the store.
 - ☐ Use the *Risk Management Manual* as a tool to handle injuries and catastrophic incidents.
 - ☐ Identify the proper steps for an emergency evacuation.
 - ☐ Explain the procedures for power outages.
 - ☐ Follow the appropriate guidelines when dealing with:
 - Floods
 - Hurricanes
 - Tornados
 - Earthquakes
 - Fires
 - Civil Unrest
 - Bomb Threats

Emergencies

As a Store Manager, you are responsible for everything that happens in your store. And although it's out of the ordinary of every day work at BLOCKBUSTER, emergencies do occur and you need to be prepared to handle them. The emergencies we refer to here aren't necessarily life-threatening, although they can be. Specifically, in this Achievement, we will discuss how to handle:

- Customer/employee injuries
- Fires
- Natural disasters

Reporting Emergency Situations

Use the *BLOCKBUSTER Incident Report Form* located in the *Risk Management Manual* for reporting all emergency situations. Complete the incident report for each and every incident and distribute within 24 hours to the following:

Original (white): Risk Manager
 P.O. Box 407060
 Ft. Lauderdale, FL 33340-7060
 Phone: 1-800-733-1938 or 305-970-9100

1st copy (canary): District Manager

2nd copy (pink): Retain in store

Photocopy: Regional Loss Prevention Manager

Any incident that results in emergency ambulance or police response must also be called in to the Corporate Risk Management Department at 800/827-4955. To report on-the-job employee injuries, see the section containing the *Worker's Compensation Injury Reporting Form* in the *Risk Management Manual*. Unless you are told otherwise, the information contained in the incident report is confidential and restricted to BLOCKBUSTER personnel only.

Lawsuits

Follow this procedure if a Summons and Complaint (lawsuit) is served on the store:

- Answer any complaint in a timely fashion as there are time limits involved.
- Be absolutely certain that the Summons and Complaint is for your store location.



Do not accept the lawsuit if it does not list your store address.

- Notify your District Manager and Regional Director of Operations.

After acceptance of a Summons, immediately send it to the Risk Management Department. Use Federal Express, UPS Next-Day Air, or a similar express service. Send the Summons to:

BLOCKBUSTER Entertainment Corporation
P.O. Box 407060
Ft. Lauderdale, FL 33309
Attn: Risk Management

Injuries

Refer to your *Risk Management Manual* for detailed information on handling customer and employee injuries, as well as reporting injuries and workman's compensation claims.

Activity

NOTES

1. Use the *BLOCKBUSTER Incident Report Form* located in the *Risk Management Manual* for reporting all emergency situations.

True or False

2. Any incident that results in emergency ambulance or police response must also be called in to the Corporate Communications Management Department at 800/827-4900.

True or False

3. List the procedures used to answer a summons or a complaint:

- a. _____
- b. _____
- c. _____

4. The _____ gives detailed information on handling customer and employee injuries, as well as reporting injuries and workman's compensation claims.

Activity Answers

1. Use the *BLOCKBUSTER Incident Report Form* located in the *Risk Management Manual* for reporting all emergency situations.

True

2. Any incident that results in emergency ambulance or police response must also be called in to the Corporate Communications Management Department at 800/827-4900.

False, they must be called into the Corporate Risk Management Department.

3. List the procedures used to answer a summons or a complaint:
 - a. Answer any complaint in a timely fashion as there are time limits involved.
 - b. Be absolutely certain that the Summons and Complaint is for your store location.
 - c. Notify your District Manager and Regional Director of Operations.
4. The *Risk Management Manual* gives detailed information on handling customer and employee injuries, as well as reporting injuries and workman's compensation claims.

Emergency Situations

NOTES

Though a BLOCKBUSTER store is normally a safe environment to work in, you may one day be faced with an emergency situation. Your quick, calm, and decisive response is the key to preventing injuries and damage.

Catastrophic Incidents

Catastrophic incidents include:

- Death or life-threatening injury to one or more employees
- Major physical damage to a company-owned store. This includes fire, vandalism, windstorm, water, earthquake, or flood damage which results in the store being closed to the public. Refer to your *Risk Management Manual* for complete information.

Emergency Evacuations

In the case of a fire, earthquake, or any other emergency, it may be necessary to clear the store of all personnel and customers. Follow the steps below:

1. Remain calm. Keep all personnel and customers calm and orderly.
2. Quickly exit all personnel and customers through the nearest exit door.
3. Check to make sure everyone has left the store before you leave.



The rear exit door to the store **MUST NOT** be barred or otherwise mechanically locked any time the store is occupied. It must be able to open by tripping the panic hardware.

Power Outages

The electricity can go out in your store for many reasons. Follow these guidelines to ensure the safety of customers and the security of your store inventory. If the power is out in the day time for more than five minutes, perform the following:

- Manually process rental check-outs and purchases. Keep a log at each cash till in operation.
- Record all required information on the log for each transaction.



Refer to the “Manual Operations” section in *Daily Operations Chapter 3: Member Services* for more information.

- Put all excess funds in the drop or office safe.
- When the power is restored, enter the information from the log into the system.
- Put cash drawer keys back in the safe.



Refer to the “Manual Operations” section in *Daily Operations Chapter 3: Member Services* for more information.

If it is dark outside when the power goes off, perform the following:

- If you have emergency lights, manually process rental check-outs and purchases as described above.
- If the emergency lights are not on, use flash lights to find and evacuate all the customers. Keep the doors locked. **DO NOT** reopen the store until the lights are restored. The EAS system is not operational during a power outage.



Be extra cautious and alert. This is the time when theft or robbery is likely to take place.

Floods, Hurricanes, and Tornadoes

NOTES

Floods, hurricanes, and tornadoes are a regional concern. If your store is located in an area where one or more of these are common, adhere to the following procedures. When a tornado approaches, **IMMEDIATE ACTION** is necessary and can make the difference between life and death. When possible seek inside shelter, preferably in a tornado cellar, underground excavation, or a steel-frame or reinforced-concrete building of substantial construction. In a **BLOCKBUSTER** store, stay in the back room or bathroom.



Stay away from windows and electrical panels!

Emergency Supplies

Keep the appropriate supplies on hand, as described in the following table. Make sure the first aid kit is well stocked; replace any items used as quickly as possible.

SITUATION	SUPPLIES ON HAND
Flood	✓ Flashlight ✓ Spare batteries
Hurricanes	✓ Flashlight ✓ Spare batteries ✓ Masking tape for taping windows and glass doors ✓ Battery-powered radio
Tornadoes	✓ Flashlight ✓ Spare batteries

Preparing For a Storm

It is vital to your store's assets that you properly prepare for a storm. The following sections discuss what to do with the inventory, cash, equipment, electricity, and glass windows and doors.

Personnel

Keeping our personnel safe is our first priority in any situation. Update and distribute the employee phone list. All employees should keep a copy of the list with them during the storm. Your RDO will set up a hotline phone number for company and store information. Employees must call this number for updates during and after the storm.

Inventory

For stores located in low/flood susceptible areas, give priority to inventory and supplies.

- Lock all drop boxes and post signs telling customers to keep rentals until the store reopens. Signs telling customers that related additional rental fees will be waived should also be posted.
- Bookend and move all rental tapes to the top three shelves to protect from water damage.
- Store merchandise away from windows and off the floor.
- Place store reports, stationery, supplies, etc. in the upper drawers of the filing cabinets.
- Move all rental equipment to the office.

Cash

Keep the minimum amount of supporting cash on hand by making regular deposits. Make mid-day deposits if directed by your DM. When finally leaving the store, you must ensure that all cash and checks are locked in the safe.

Equipment

NOTES

Before leaving the store, perform a full system backup. Store the backup tape in the safe. Follow these steps to bring your store system down:

1. Bring all terminals to the *CSR Menu*.
2. Power **OFF** all equipment connected to the computer terminal (readers, printers, and terminals), then power **OFF** the terminal.
3. Unplug all equipment connected to the terminals from power outlets.



Do not disconnect the cables from the terminal.

4. Contact Computer Support to have the Micro-Vax properly shut down.
5. Once Computer Support has shut down the Micro-Vax, power **OFF** the unit, then unplug it.
6. Store all computer equipment in the back room.
7. Upon reopening your store, contact Computer Support to ensure that all necessary Dailies have been run and your system date and time are correct.

Electricity

Before leaving the store, turn off the electrical supply to the store at the fuse box.

Glass Windows and Doors

If your store is in the path of a hurricane, arrange with your DM to have a contractor board up the store's windows and glass doors. Stores in areas vulnerable to hurricanes should pre-arrange this service in coordination with their DM. If appropriate, place masking tape on the outside of all windows and glass panes in a diagonal, corner-to-corner manner.

Security

Contact your alarm company and advise them that the store is being evacuated.

Returning After a Storm

When returning to the store, be aware of potential hazards such as loose electrical wires, fallen or low-hanging wires, puddles of water touching fallen wires, objects in contact with power lines, etc. Use the following list to prepare your store for operation. District Managers and all other personnel are to render assistance to restore operation.

- Call the police or utility company immediately and report any hazards such as live wires or power lines, broken gas/water mains, or overturned gas tanks.
- BEFORE turning on electricity, carefully inspect the store interior for water damage. If water is present, try to determine if it entered under the doors or through the ceiling. If water has come through the ceiling, contact the Maintenance Department or utility company for advice.
- When you are certain it is safe to turn on the electricity, carefully inspect all electrical outlets and electrical equipment for any malfunctions. If there is a problem, turn off the electricity at the fuse box and notify the Maintenance Department.
- Complete an incident report; refer to the *Risk Management Manual* for instructions. Forward the report to the Risk Management Department and inform your DM of all situations.



Contact BLOCKBUSTER Computer Support to ensure that all necessary programs have been run and that the system date and time has been updated. Inform your DM when your store is ready to resume operation.

Earthquakes

Earthquakes are a regional concern. If your store is located in an area where earthquakes are common, adhere to the following procedures.

Preparing For an Earthquake

Develop a store earthquake plan. Decide how and where your employees would meet if evacuation was necessary. Call the zone office to report employee whereabouts and conditions. To prepare for an earthquake, perform the following:

- Locate the danger spots (windows, hanging monitors, marquees, etc.) and stay away from them.
- Conduct practice drills. Physically place yourself in safe locations.
- Prepare your store. Learn how to shut off gas, water, and electricity (in case lines are damaged).
- Keep breakable and heavy objects on bottom shelves.
- Secure tall, heavy fixtures.
- Keep flammable or hazardous liquids such as paint, pest sprays, or cleaning products in cabinets or secured on lower shelves.

During an Earthquake

During an earthquake, remember to duck, cover, and hold:

- Duck under the cash wrap or membership counters.
- Stay under cover until the shaking stops.
- Hold onto the counter. If the counter moves, move with it.

After an Earthquake

The most important thing you can do in this situation is to stay calm; set an example for your employees and customers to follow. Check for injuries and apply first aid. Do not move seriously injured people unless they are in immediate danger. Do not use the telephone unless there is a severe injury or fire. Check for gas and water leaks, as well as broken electrical wiring or sewage lines. If there is damage, turn the flow off at the source.

Be sure to lock store to secure it from possible looting. Lock all funds in the drop or office safe. Check the building for cracks and damaged walls, windows, etc. Check food and water supplies.



Emergency water may be obtained from water heaters, melted ice cubes, toilet tanks, and canned vegetables.

Do not use your vehicle unless there is an emergency. Keep the streets clear for emergency vehicles. Complete an incident report; refer to the *Risk Management Manual* for instructions. Forward the report to the Risk Management Department as soon as possible.

Fire procedures are necessary to protect our customers and employees and to keep property damage to a minimum.

Calling the Fire Department

If a fire breaks out in your store, call the fire department (dial 911 if available) and give the operator the following information:

- The nature of the emergency.
- Your name.
- The complete street address (be prepared to spell the street name).
- The closest street intersection
- The call back number (do not stay at the phone if you are in danger).

Handling Small Fires

For a fire that is small in nature:

- Remove everyone from the immediate danger area. This means the room of origin or immediate vicinity of the fire. This is not an evacuation of the premises.
- Close the door to the room of origin. This will act to contain the fire and smoke to that one room for a long period of time.

If the fire is small and confined to one object (such as a trash can), locate the fire extinguisher appropriate for fighting that type of fire and use it. Never attempt to fight a fire unless:

- You know how to operate the fire extinguisher.
- You have the appropriate type of extinguisher.
- The fire is small.
- You have access to an exit if you fail to put the fire out.

Evacuating Employees and Customers

If the fire is large or out of control, evacuate the premises.



Refer to the “Emergency Evacuations” section earlier in this Achievement for more information on evacuations.

After a Fire

After the fire is out, take all measures to protect store property from any further damage due to water, weather, or looting. Notify your DM and the Regional Director of Operations. Complete an incident report; refer to the *Risk Management Manual* for instructions. Forward the report to the Risk Management Department as soon as possible.

In cases of civil unrest, the key to limiting exposure to loss and minimizing employee and customer risk is to promote excellent communication, prepare a sound plan of action, and keep everyone calm.

During a Period of Civil Unrest

It is important to take immediate action during a period of civil unrest. The following procedures will help make this time easier:

- Establish frequent conference calls with zone, region, and district management; this is the fastest way to pass on current developments. Your DM should remain at a single phone where they can be immediately contacted.
- Be available to answer all calls from store personnel and provide direction when necessary.
- Observe all curfews.
- If your store is located in a high risk area, take extra precautionary measures when closing.
- Keep cash drawers open to emphasize to any prospective looter that they are empty.
- Disconnect and move computer equipment to the back room.
- Move fixtures away from the windows.
- Institute the "two" person deposit procedure. Use armored car service if your store is located in a high risk area.
- Immediately report all break-ins to the Loss Prevention Manager.

If your store is under threat during operating hours, contact the Loss Prevention Manager for a quick assessment of the situation. The Loss Prevention Manager will determine whether to close the store down and send your employees home. If you are unable to contact the Loss Prevention Manager, contact your DM. If that fails, use your best judgement. Contact the Construction Department if your store is broken into; they will make immediate plans for boarding up the store.

After a Period of Civil Unrest

Follow these steps in preparing to reopen the store:

- Conduct a thorough inventory of rental and sell-thru product. Survey all equipment.
- Document loss and damage of equipment and inventory in detail (photos or videos can be taken for insurance and security follow up).
- Request replacement product with the BLOCKBUSTER Distribution Center.
- Notify staff to return to work.
- Clean up the store.
- Make temporary repairs.
- Obtain replacement equipment; this equipment can be on loan from training sites or other stores until new equipment arrives.

Complete an incident report; refer to the *Risk Management Manual* for instructions. Forward the report to the Risk Management Department.

Bomb Threats

Sometimes our stores receive calls informing us that we either have a bomb in the store or that a bomb will explode. Although these situations are usually a hoax, we must consider the seriousness of each incident. If you receive a bomb threat at your store, conduct a thorough walk-thru inspection of the facilities to determine if the threat is real (you have located something that appears to be an explosive device). You do not want to cause panic among the employees or customers.

If a Device Is Located

Calmly have everyone leave the building, call the police (dial 911 if available), secure the building, and wait outside for further instructions. In addition, perform the following:

- Do not touch or remove the device.
- Notify the DM, Regional Director of Operations, Zone VP, and the Loss Prevention Manager.
- Standby for additional instructions from emergency personnel and complete the *Bomb Threat Record* shown in Figure x on the following page.



Support Operations Appendix B contains a *Bomb Threat Record*; make a copy and complete it.

If a Device Is Not Located

Inform all personnel working in the store about the phone call, examine all incoming rental tapes, heighten awareness, notify the DM, Regional Director of Operations, Zone VP, and the Loss Prevention Manager. Continue to conduct business in an orderly manner. In addition, perform the following:

- Complete the *Bomb Threat Record* shown in Figure 27.
- If the MOD feels uncomfortable with the situation for any reason, they have the authority to evacuate the store and contact the proper authorities.



BOMB THREAT RECORD

STORE: _____

EMPLOYEE RECEIVING CALL: _____

1. Time of call: _____ Date of call: _____
2. On what telephone number was the call received: _____
3. What did the caller say (exact words): _____

ASK THE CALLER

4. Where is the device located? _____
5. What is the device? _____
6. When is the device supposed to go off? _____

ABOUT THE CALLER

7. Was the caller: Male _____ Female _____
 Anglo _____ European _____ Hispanic _____
 African American _____ Asian _____ Other _____
8. Voice Type: Moderate _____ Gruff _____ Husky _____ Whisper _____

ABOUT THE CALL

9. Background Noise, if any: _____
10. Was there anything unusual about the call? _____

AFTER THE CALL

11. Was a search of the premises conducted? Yes _____ No _____
12. Who conducted the search? _____
13. Was anything located? Yes _____ No _____
 If yes, give description _____
14. Were the police contacted? Yes _____ No _____
15. What action did the authorities take? _____

16. Person completing this report: _____

Figure 27: Bomb Threat Record



Support Operations Appendix B contains a Bomb Threat Record; make a copy and complete it.

Achievement 7 Certification

NOTES

This is a knowledge-based Achievement. To illustrate you have an understanding of this Achievement area, perform the following:

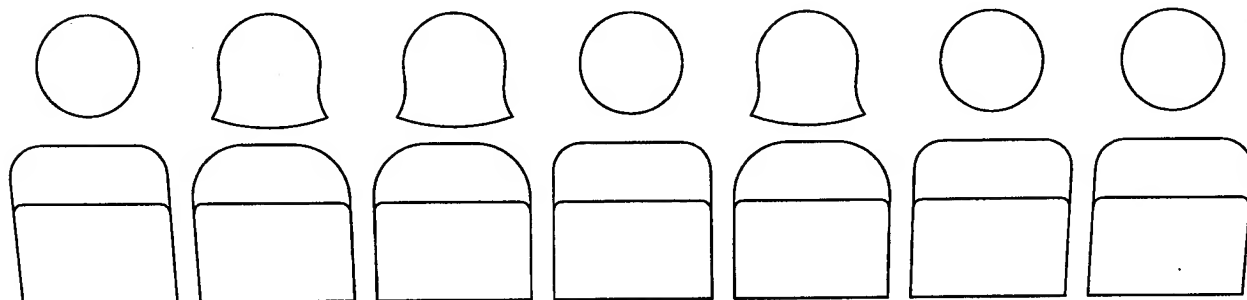
1. Locate the *Incident Report Form* in the Risk Management Manual and explain to your Store Manager under what circumstances you need to fill it out.
2. Locate the procedures for handling a customer injury in your Risk Management Manual.
3. Locate the procedures for handling an employee injury in your Risk Management Manual.
3. Explain to your Store Manager what you would do if someone served you a Summons or Complaint.
4. Explain to your Store Manager how you would handle the following situations:
 - An emergency evacuation.
 - A power outage.
 - A flood.
 - A hurricane.
 - A tornado.
 - An earthquake.
 - A fire.
 - Civil unrest.
 - A bomb threat.

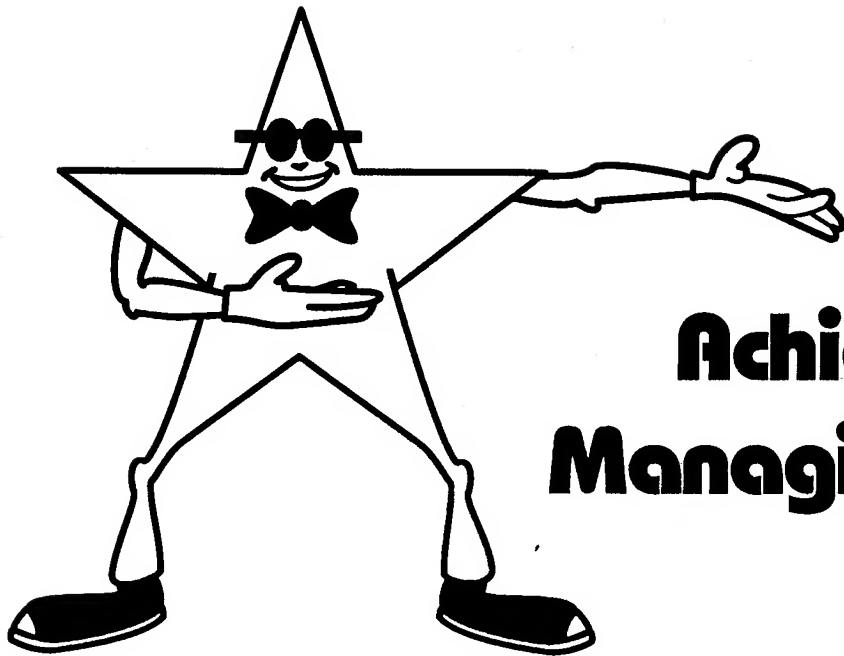
Store Manager Signature: _____

Date: _____

Movie Trivia

7. What was the name of Gene Autry's horse?





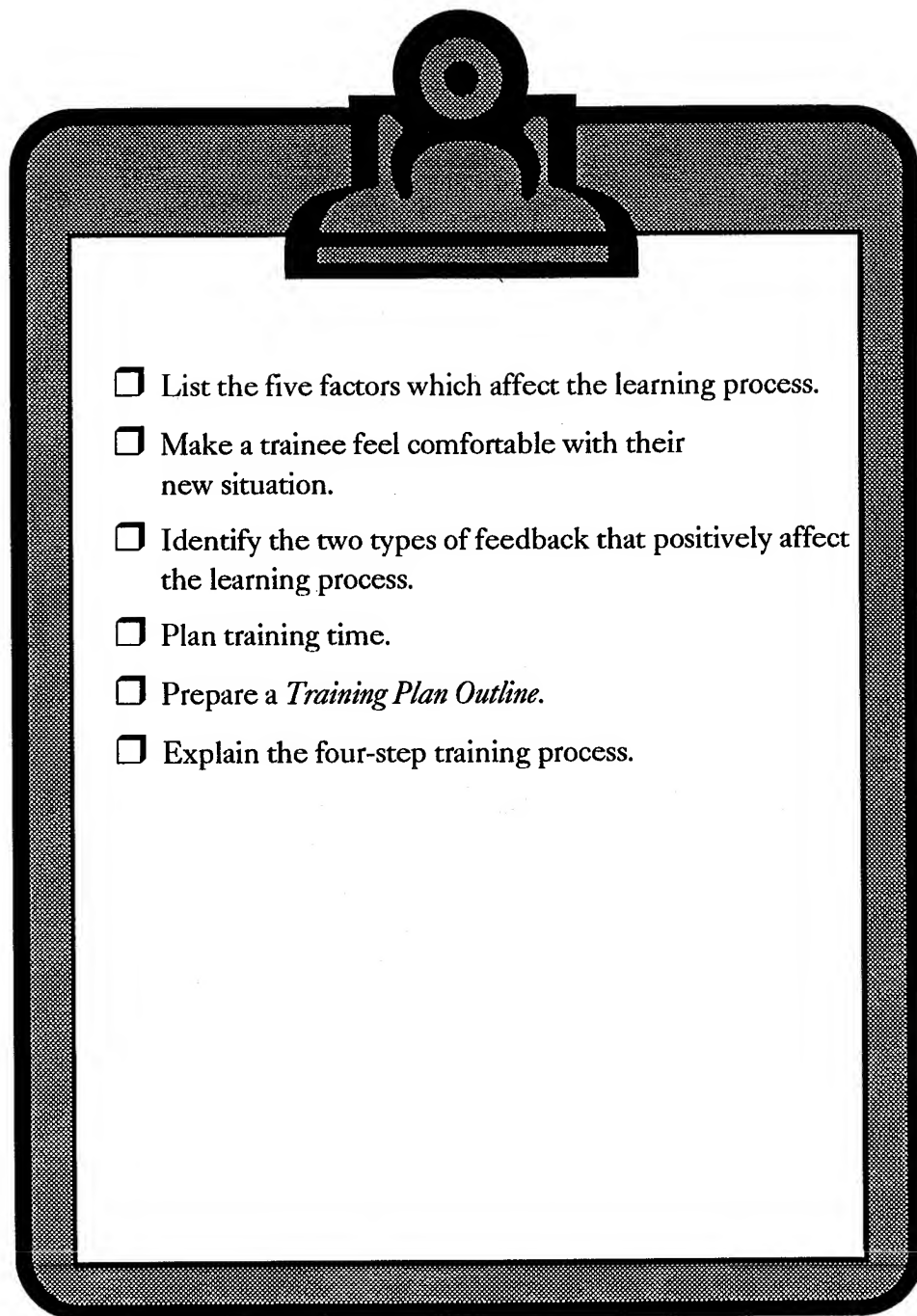
Achievement 8: Managing Training

Overview

In the 1981 movie *Stripes*, Bill Murray joins the Army and is “trained” in the rigors of service life. As a Store Manager, training your employees is your responsibility. The first step to training is assessing the actual need for training. The *Starmaker Series* makes it easy for you to evaluate the training needs of your store. Employees who are proficient in an area will quickly progress, while employees who need to take the learning process slower can go at the pace that they are comfortable with. You will control and monitor the pace by determining when they train.

Learning Objectives

This Achievement contains all of the information you will need to manage training at your store. After completing this Achievement, you will be able to:



A large, stylized clipboard icon with a thick black border and a grey textured background. At the top center is a black clip. Inside the clipboard is a white rectangular area containing a checklist of six items, each preceded by a small square checkbox.

- ☐ List the five factors which affect the learning process.
- ☐ Make a trainee feel comfortable with their new situation.
- ☐ Identify the two types of feedback that positively affect the learning process.
- ☐ Plan training time.
- ☐ Prepare a *Training Plan Outline*.
- ☐ Explain the four-step training process.

Why Is Training Important?

What makes a Blockbuster Video store successful? It could be the videotapes available for rent or for sale, the way the tapes are displayed, the special customer services offered, or the total shopping environment. But it is your customer service representatives who are the key ingredients in your store's success. They are the ones who have daily contact with your customers and keep your store operational. Since well-trained CSRs will provide outstanding customer service, training is really a "Customer Service" that you and your Assistant Managers offer to your employees. The knowledge and skill of each and every employee in your store is critical to whether or not your store will succeed. Poor or no job training is very costly to a company—in morale, in dollars, and in an increased work load for a manager. Therefore, developing a staff of knowledgeable and skilled employees will directly impact your store's success. Blockbuster Entertainment Corporation is committed to providing your stores with quality training materials including the *Starmaker Series*. But the real success of training lies in your effective, efficient, and consistent use of these materials. Training must be planned, scheduled, and followed up on.



Remember, training is only successful when you make it happen. It's a critical factor in developing your employees into a team of service-oriented professionals.

How Do People Learn?

No two people learn in the same way. A variety of factors affects the learning process, including:

- Motivation
- Understanding
- Participation
- Practice
- Feedback

Motivation

Unless people are motivated, very little learning takes place. However, people are motivated by different things. For some, it may be recognition; for others, advancement. Although you cannot motivate another person directly, you can provide an environment in which a person feels motivated. You will provide an environment for your employees to learn more rapidly and more easily if:

- You make sure they are at ease and familiar with the new situation.
- You make sure they know why they are doing a job and why it's important.
- You understand that people learn at different rates and in different ways and you recognize and respect that fact.

To make a new hire comfortable, explain the responsibilities of their job. Then, give them the *CSR Module* and explain that they will go through the training a section at a time during their shifts for the next few weeks. Make sure you reassure them that they are not expected to know everything the first day. Explain that you will work with them during the training process and that the program is designed to let them practice what they learn before going on to a new topic.

Understanding

Learning requires understanding.

- It is easier for a learner to understand a new subject when they can see relationships between the new job and one which they already know. This is why each successive module builds on previous modules.
- People remember very little of what they hear, some of what they see, but almost all of what they do. Therefore, it is easier to learn when using all your senses, especially those used in "doing" the job. This is why the *Starmaker Series* is based on "doing." You will observe your employees perform skills before you certify them.

Participation

To ensure that “the learner has learned,” the *Starmaker Series* gives them the opportunity to do the job. They will practice; you will provide “feedback” on the results of their efforts. The final step is certification. This process ensures they practice first, then perform for certification.

Practice

Actually doing the job gives the trainee practice in the knowledge and skills involved and builds confidence.

Feedback

Feedback lets both you and the trainee know how well they have learned and what areas might still need attention. Providing feedback involves good observation and communication skills. Remember, be objective—comment on the performance, not on the person. There are two types of feedback which positively affect the learning process. They are:

- **Positive Feedback** tells the trainee what they have been doing right. It reassures and encourages them to continue doing what they have been doing right.
- **Constructive Feedback** tells the trainee what they have been doing wrong and how to correct it so that their performance changes and improves. This is extremely important during the certification process. If they don't achieve 100% accuracy, provide constructive feedback and practice before they try certification again.



No feedback and critical feedback inhibit the learning process. When you fail to give any feedback, the trainee doesn't know whether they are performing correctly, or they may think you believe the task is unimportant. Critical feedback doesn't show an employee how to improve; it is purely criticism and will create a demotivating, negative environment. Make sure your feedback is always positive or constructive.

Knowledge Application

Learning is complete when the trainee can apply their knowledge and skills on the job and meet the performance standards of the job. Certification is critical for you to determine that they can proficiently perform the skills. However, it is important that they continue to apply what they've learned.

Getting Ready To Train

It's useless to provide training materials to your staff and not give them the time to train. While the *Starmaker Series* is self-paced, in-store training, you still need to schedule training time. To help ensure that training will happen you should schedule time for training when you create your weekly schedule. For existing employees block out time that is convenient for the store as well.



Schedule two hours on a shift that is a low-demand task period.

Scheduling Training

The best way to ensure that training happens is to plan and schedule it in such a way that your store can continue to operate effectively. This is important for you and the trainee. Your trainee will feel valued that you scheduled training for them, and the store will run smoothly while the person is training because you won't need that person to operate smoothly.

When planning for training time:

1. Determine how long it will take to train your employee in a specific task.
2. Choose the most efficient and effective means with which to accomplish it. What days and/or hours are most appropriate? Who needs to be present? What equipment/materials/people need to be available?.

3. Plan your payroll budget hours to include time for training. Be creative in how you schedule your people. For example, consider starting a new CSR at 9:00 in the morning so that you have an hour of uninterrupted training time. Then let them leave an hour earlier.
4. Schedule training sessions based on the information above.



Training time for all hourly employees must be compensated time. This means that you cannot send training materials home with an hourly employee unless you are able to pay them for the time they spent learning the information. Therefore, all training is to be done in the store during regularly scheduled payroll hours.

Training New Hires

For new hires, it is important that you structure and monitor their training closely. Give all new hires the *Starmaker Series: Customer Service Representative* module on their first day. Then, to help ensure that training goes smoothly for your new hire:

- Schedule training shifts — days and hours planned and scheduled.



Train three hours on Monday's shift, then work the rest of the shift practicing what they've learned.

- Prepare a *Training Plan Outline* with the achievements broken down into "trainable" steps.



Schedule Achievements on the training plan, but never schedule certifications. Your employee must come to you for certification when they are comfortable performing the skill.

About the Training Plan Outline

A Training Plan Outline is important for new hires because it:

- Breaks down each individual knowledge area or skill into “trainable” parts (i.e., small, logical steps emphasizing the key points or “tips” or “trick of the trade”) that make a job easier and faster to do.
- Serves as a guide for your training sessions.
- Helps ensure that enough training time has been allocated and that the work space, equipment, materials, and people necessary are available.
- Can help with scheduling so that training “happens” in your store.

Using The Training Plan Outline

We’ve included a blank *Training Plan Outline* on the next page for you to copy and use for your new hires. The *Training Plan Outline* in Figure 1 is filled in as an example. Give the *Training Plan Outline* to the new hire to refer to during the training session. Review it with the new-hire at the end of the training session. Explain that they should practice what they’ve learned, and when they are comfortable, they should ask you to certify them.

Before you give your new hire their Training Plan Outline, you should prepare them for training so they know what to expect. To prepare your new hire for training:

1. Welcome the employee and put them at ease.
2. Arouse the employee’s interest by explaining the content and the reason for the job.
3. Create interest in learning the job - encourage questions, find out what the employee already knows about the job.
4. If possible, relate the job or task to what the employee already knows.
5. Go over applicable equipment, materials, people, and terminology.

TRAINING PLAN

Skill/Function to be Taught:

Training Time Required:

STEP	KEY POINTS
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
EQUIPMENT, MATERIALS, ETC:	
1.	4.
2.	5.
3.	6.

TRAINING PLAN

Skill/Function to be Taught:

Achievements 1 and 2

Training Time Required:

2 hours

STEP	KEY POINTS
1. Welcome to BLOCKBUSTER	- Mission Statement and Golden Rules should guide you.
2. Golden Rules	- Always keep in mind when dealing with customers.
3. Customer Service	- Six key points and how to implement them.
4. Greetings	- 'BLOCKBUSTER' expects you to greet.
5.	
6.	
7.	
8.	
9.	
10	
EQUIPMENT, MATERIALS, ETC:	
1.	4.
2.	5.
3.	6.

The Four-Step Training Process

Preparing them for training is part of the four-step training process that The Starmaker Series utilizes. It is also important for you to understand the 4-Step Training Process so you can utilize it for all training in your store. It is:

1. Prepare the employee for training.
2. Present the job.
 - Tell the employee about the knowledge and skill required to do the job.
 - Show the employee how to do it.
 - Explain and demonstrate the process.
 - Review aspects of the job in which it is possible to make mistakes.
3. Try out performance.
 - Let them explain the process and show you how they do it.
 - Let them practice, but don't abandon them.
4. Follow-up.
 - Encourage questions.
 - Check their work frequently.
 - Praise good performance.
 - Offer constructive feedback to correct nonproductive work habits or incorrect procedures.

Step 4 is imperative as you manage the training your new hire receives with the *Starmaker Series*. While the *Starmaker Series* focuses on steps 2 and 3 of the 4-Step Training Process, steps 1 and 4 are your responsibility. It is crucial that you follow up to ensure that your employee is performing with 100% accuracy. Now is the easiest time to shape behavior. The certification process makes it easy for you to follow-up and offer feedback. If you "rubber stamp" certifications for new hires (or existing employees) you are only hurting your store and your staff.

The 4-Step Training Process relates directly to the reasons why people learn:

- *Motivation* should be at the top of your mind as you prepare your employee to learn.
- *Understanding* is developed as the employee proceeds through The Starmaker Series.
- *Participation* and involvement occur when the employee practices the knowledge or skill.
- *Application* of the new knowledge or skill occurs during certification and your follow-up.

Assessing Performance After Training

Sometimes, an employee is trained in a certain skill area, but you still have a performance issue. Identifying the problem is the first step to solving it. There are three main reasons why an employee may not be performing to standard:

- The employee lacks the knowledge and/or skill to do the job.
 - Check the wall chart to determine if employee has been certified in this area. If yes, coach the employee and provide positive reinforcement and practice.
 - The employee may need assistance because employee may not have performed the skill again after certification.
- The employee knows how and has the skill but needs additional assistance.
 - Perhaps the employee has not performed the skill again after certification or needs additional assistance because more practice is necessary.
 - Coach the employee and provide positive reinforcement.
- The employee knows how to do the job, but does not perform at minimum acceptable standards.
 - The employee has been certified in this area but is not performing up to standard. Use the 5-Step Performance Improvement Process to improve employee's performance.
 - When you state the problem in behavioral terms to the employee and discuss the fact that the employee was certified in this area, you will be on your way to jointly solving the problem.

NOTES

Assessing performance on an on-going basis will help you determining their training needs. One employee may need to read a particular topic in the *Starmaker Series* or the SOP, another may need more on-the-job practice with a particular task, and another may need to be retrained. No matter what the training needs of an employee, you want to get the same result — and that's performance improvement.

Activity

NOTES

1. What are the five factors that affect the learning process?
 - a.
 - b.
 - c.
 - d.
 - e.
2. How can you make a new hire comfortable with their job and the *Starmaker Series* training?

3. What are the two types of feedback that positively affect the learning process?
 - a.
 - b.
4. Why is feedback vital to the learning process?

5. Why is it beneficial for you and the learner to plan time for training?

6. Explain the four-step training process:
 - a.
 - b.
 - c.
 - d.
7. How do you prepare a new-hire for training?

Activity

1. What are the five factors that affect the learning process?
 - a. Motivation
 - b. Understanding
 - c. Participation
 - d. Practice
 - e. Feedback
2. How can you make a new hire comfortable with their job and the *Starmaker Series* training?

Explain the responsibilities of their new job. Then, give them the CSR Module and explain they will go through the training a section at a time and that you will work with them during the training.
3. What are the two types of feedback that positively affect the learning process?
 - a. Positive feedback
 - b. Constructive feedback
4. Why is feedback vital to the learning process?

It lets the trainee know how well they've learned and what areas need improvement. It's their chance to master the standard.
5. Why is it beneficial for you and the learner to plan time for training?

The store will run smoothly because you've scheduled without the trainee on the floor and the trainee will feel valued because they have the time to train.
6. Explain the four-step training process:
 - a. Prepare the employee for training
 - b. Present the job
 - c. Try out performance
 - d. Follow up
7. How do you prepare a new-hire for training?

Welcome the employee and put them at ease. Arouse the employee's interest by explaining the content and the reason for the job. Create interest in learning the job. If possible, relate the job or task to what the employee already knows. Go over equipment, materials, people, and terminology.

Achievement 8 Certification

NOTES

This is a skill-based Achievement. To illustrate proficiency in this Achievement, perform the following:

1. Prepare a *Training Plan Outline* for a new hire's first two shifts.
2. Manage an employee's training through an entire module of the *Starmaker Series* (either the CSR, CRC, or AM modules).

Employee's name: _____

Module you managed: _____

Date module completed: _____

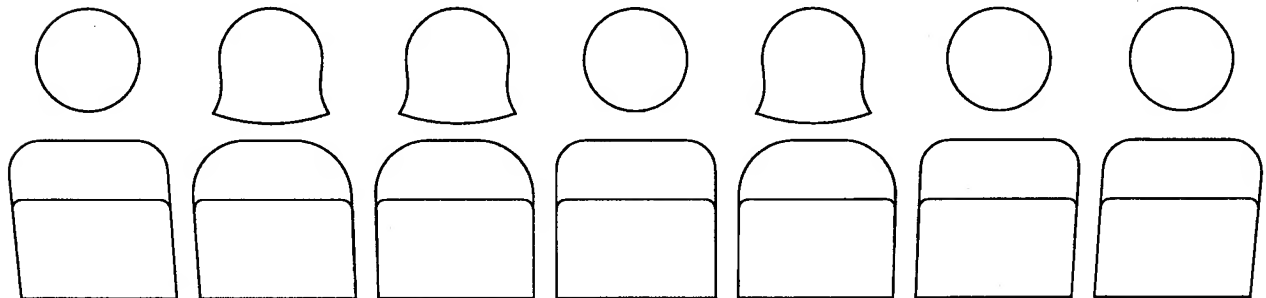
Congratulations!!!!

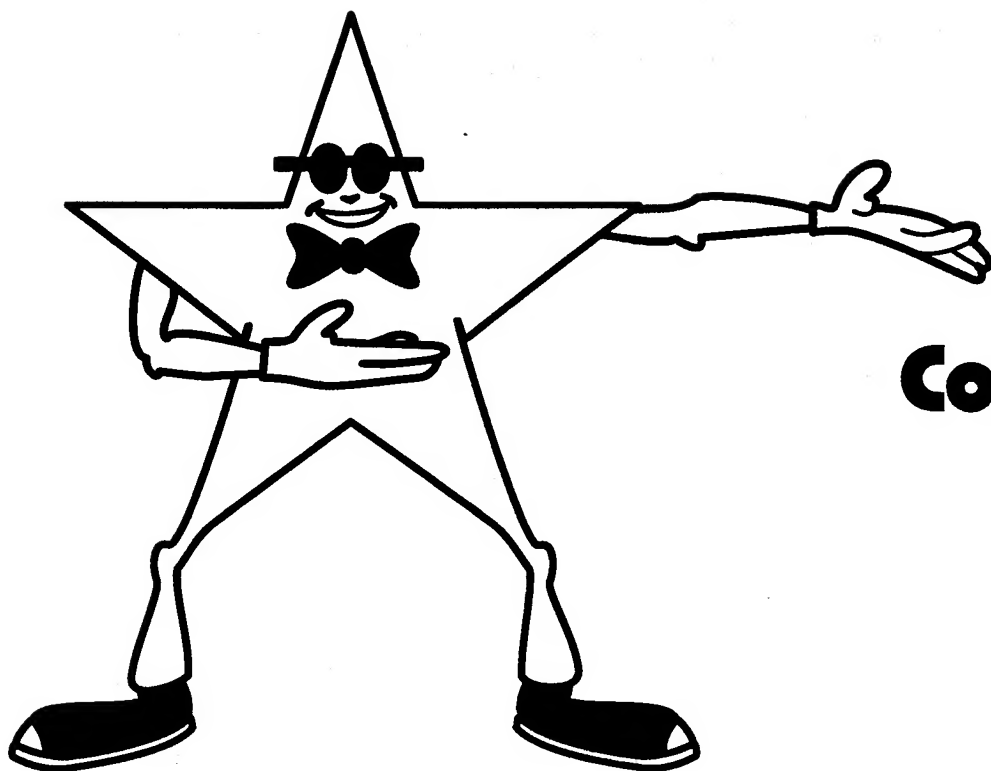
Store Manager Signature: _____

Date: _____

Movie Trivia

1. What 1992 drama featured a story about the murder of a Marine at the Guantanamo Naval Air Station.





Conclusion

Congratulations!

Congratulations, you've finished the *Starmaker Series*! You have been certified in each module and are now qualified to run your own store. When you are promoted to Store Manager, you can take on your own store with the confidence that you've been well-trained and have the skills BLOCKBUSTER desires in its Store Managers. You have met BLOCKBUSTER's high standards for quality and in return, when you get promoted, the company will give you the opportunity to maintain those high standards in your own store. That means:

- Leading by example in everything you do.
- Ensuring that you and your staff follow *The Golden Rules for a BLOCKBUSTER Experience*.
- Providing outstanding customer service.
- Treating your employees the way you want them to treat your customers.
- Creating an open, welcoming, fun environment for your employees and customers.

Take pride in the fact that you have completed the *Starmaker Series* and have set yourself on a career path that will give you great satisfaction and challenge.

On the next few pages, you will find the answers to the movie trivia questions, as well as a checklist of all the points covered in this module. Now that you are certified in the SM module, have your Store Manager sign the checklist and send it to your Regional Trainer. Also, make sure your Store Manager updates the Starmaker Wallchart.

Movie Trivia Answers

All the questions in this module dealt with drama. Let's see how you did.

1. *Eight. He plays all eight victims of a wealthy aristocratic family that is killed off in this 1949 dark British comedy.*
2. *Richard Burton (1925-1984). He was nominated six times.*
3. *Five. They appeared together in To Have and Have Not (1944), The Big Sleep (1946), Two Guys From Milwaukee (1946), Dark Passage (1947), and Key Largo (1948).*
4. *Kris Kringle Krazy? Kourt Kase Koming: "Kalamity" Kries Kids. The newspaper that carried this headline first filled the silver screen in 1947. Since then, Miracle on 34th Street has become a holiday classic.*
5. *Rick, played by Humphrey Bogart, in Casablanca.*
6. *Sixteen.*
7. *Champion, the Wonder Horse.*
8. *A Few Good Men.*

SM Module Checklist

Achievement 1: Hiring

- ☐ Hiring Service-Focused Employees
- ☐ Recruiting
- ☐ Interviewing
- ☐ Checking References
- ☐ Substance Abuse Screening

Achievement 2: Human Resources Policies and Procedures

- ☐ Hiring
- ☐ Policies and Procedures
- ☐ Conflict Resolution Policy
- ☐ Store Training

Achievement 3: More Performance Management

- ☐ Managing Performance
- ☐ Personnel Issues
- ☐ Performance Appraisals
- ☐ Salary Actions
- ☐ Position Changes

Achievement 4: Financial Results

- ☐ Basics of Financial Measurement
- ☐ BLOCKBUSTER's Financial Measuring System
- ☐ BLOCKBUSTER's Financial Reports
- ☐ Using Financial Results

Achievement 5: Even More Product Management

- ☐ Receiving
- ☐ Changing Product Information

Achievement 6: Labor Planning & Scheduling

- ☐ ESP Tools
- ☐ Scheduling Labor
- ☐ Planning Labor
- ☐ Monitoring Labor Usage

Send this page and the following page to Regional Trainer

Achievement 7: Handling Emergencies

- ☐ Emergencies
- ☐ Emergency Situations

Achievement 8: Managing Training

- ☐ Why is Training Important
- ☐ How Do People Learn
- ☐ Knowledge Application
- ☐ Training New Hires
- ☐ The Four-Step Training Process
- ☐ Assessing Performance After Training

Your Name _____ Date _____

Store Manager _____ Store Code _____

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